



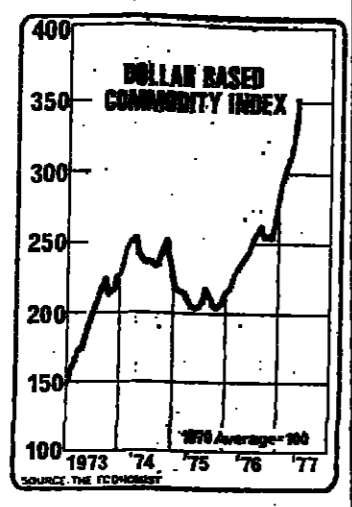


LOMBARD

Commodities and the Summit

BY SAMUEL BRITTON

IT IS NO SECRET that the British Government would like to use the May Summit to press countries with stronger currencies to stimulate their economies...



No denial

There is, however, another way of looking at the adequacy of world demand in relation to productive capacity and that is by examining commodity prices...

before last Christmas. The dollar based index published by the Economist has risen by a good 70 per cent since the beginning of 1976 and over 80 per cent in the past year...

Misleading

Commodity prices tend to rise faster than industrial prices in booms and to rise more slowly or even fall in recessions. The movement of the terms of trade against the industrial world does suggest that available metals are being taken up reasonably fast...

BY DOMINIC WIGAN

Saros should win this

DESPITE the presence of Be My Guest, the first of Vincent O'Brien's team of Epsom Newmarket riders...

This bay Saffras colt, trained for Dr. Carlo Vitadini by Peter Wainwright, won the corresponding event a year ago through Oats, proved no match for The Minstrel in the £37,000 William Hill Dewhurst Stakes at Newmarket last October...

to concede 11 lb to another in-form rival, Matinale.

Twelve months ago, Richard Hannon took the opener, the five-furlong Cuddington Stakes, with Flying Sovereign, and this time he could do the trick through Toco Tommy.

In his only previous appearance, this Great Nephew colt showed up well for a long way before tiring in a 19-runner event at Kempton won by King's Court.

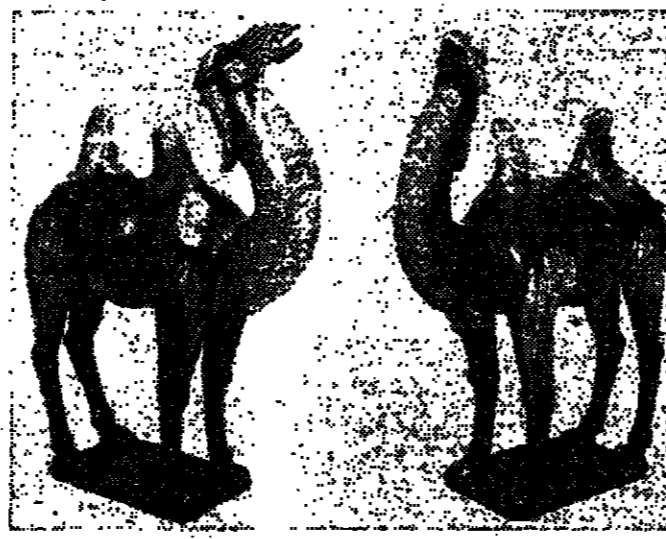
SALEROOM

BY ANTONY THORNCROFT

Littler items fetch £232,766

THE HIGHEST prices at auction yesterday were paid outside London at Chestham Park, Henfield, Sussex, where, in a marquee on the lawn outside the house of the late Prince...

from the Tang Dynasty sold for £23,000—more than double the estimate.



Pottery camels sold at Christie's for £23,000.

Pride of place went to the £85,000 (plus 10 per cent buyer's premium) paid by a Continental dealer for a saxon blue lacquered bureau cabinet, c.1740, modelled by Borriach and lacquered by Reinow of Dresden.

the discovery of sun spots and dated August 24, 1612. A rare letter by Malherbe to Louis XIII in 1625 fetched £3,000.

TV Radio

7.40 Comedy Special. 8.10 2 Cars. 8.30 News. Weather. 9.25 Play for Today. 10.30 To-night. 11.30 Politics Now—The Loneliest Job.

F.T. CROSSWORD PUZZLE No. 3358

Crossword puzzle grid with clues for Across and Down. Clues include 'I drink to the directors—it's the basis of the game (12)', 'Like an egg? Love to get empty one left (7)', 'Duck-leather in one point of view (7)', 'Heartless meal but it's very good... (5)', '... and some letters contain a lot of it (8)', 'Eastern tree is planted to be sent back by observer (3-7)', 'Desire to put key in river (4)', 'North American exercises for the neck (4)', 'Important letter is meant initially for economic system (10)', 'Adjusting the set for cask taking in spirit (6, 2)', 'The Spanish spirit in Scotland (5)', 'Former, just once (3-4)', 'A mother worker will not yield (7)', 'Old ladies gossiping we hear after the game (12)'. Down clues include 'Swallow gazelle in spirit (5)', 'Fishing vessel that moves amicably? (7)', 'Barrow boy goes round north to people in dismay (13)', 'Uncertain if I'm entertained badly (13)', 'The act of telling tales and meaning to steal one point (10)', 'American dance that is easily accomplished (8)', 'Fix the chief, he could be stupid (7)', 'It's deeply fixed in feature of the face (7)', 'Hunter about one creates quite a din (5)', 'A story of South American state (4)'. Solutions to Puzzle No. 3357 are provided at the bottom.

LONDON

9.30 a.m. Focus on Wildlife. 9.55 Canada presents. 10.45 The Saint. 11.25 Merrie Melodies. 12.00 Noddy. 12.10 P.m. Hickory House. 12.30 Woman's Life. 1.00 News at One. 1.30 To-day's Post. 1.30 Crown Court. 2.00 Good Afternoon. 2.25 Racing from Epsom. 3.30 Emmerdale Farm. 4.20 Run-around. 4.45 Mappie. 5.15 Mr. and Mrs. 5.45 News. 6.00 To-day. 6.25 Crossroads. 7.00 Sportscene. 7.30 Bionic Woman. 8.30 Rising Damp. 9.00 This Year Next Year. 10.00 News.

RADIO 1

247m. 18 Stereo broadcast. 6.00 a.m. As Radio 2. 7.42 Noel Edmonds. 9.00 Topical. 12.30 Paul Burnett. 12.30 a.m. Newsbeat. 1.00 Three in One. 1.30 Radio 1. 1.30 John Peel. 1.30 (also VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2

1.500m and VHF. 6.00 a.m. News. Weather. 6.02 Cliff Berry. 6.15 Patrice for Thought. 7.00 News. 7.05 Continental. 7.05 Sports Desk. 7.10 News. 7.15 Sports Desk. 7.20 News. 7.25 Sports Desk. 7.30 News. 7.35 Sports Desk. 7.40 News. 7.45 Sports Desk. 7.50 News. 7.55 Sports Desk. 8.00 News. 8.05 Sports Desk. 8.10 News. 8.15 Sports Desk. 8.20 News. 8.25 Sports Desk. 8.30 News. 8.35 Sports Desk. 8.40 News. 8.45 Sports Desk. 8.50 News. 8.55 Sports Desk. 9.00 News. 9.05 Sports Desk. 9.10 News. 9.15 Sports Desk. 9.20 News. 9.25 Sports Desk. 9.30 News. 9.35 Sports Desk. 9.40 News. 9.45 Sports Desk. 9.50 News. 9.55 Sports Desk. 10.00 News. 10.05 Sports Desk. 10.10 News. 10.15 Sports Desk. 10.20 News. 10.25 Sports Desk. 10.30 News. 10.35 Sports Desk. 10.40 News. 10.45 Sports Desk. 10.50 News. 10.55 Sports Desk. 11.00 News. 11.05 Sports Desk. 11.10 News. 11.15 Sports Desk. 11.20 News. 11.25 Sports Desk. 11.30 News. 11.35 Sports Desk. 11.40 News. 11.45 Sports Desk. 11.50 News. 11.55 Sports Desk. 12.00 News. 12.05 Sports Desk. 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السؤال الثاني

Salzburg Easter Festival

Berlin Philharmonic

by RONALD CRICHTON

Karajan is slighter since his illness last year, but his insatiable energy for planning, rehearsal and conducting have not diminished. The pieces after the orchestra has slowly assembled on the platform to increase applause and before the conductor himself appears are now long: additional excitement to some irritation to others. At the end of a concert Karajan shies away into his dressing room, leaving his players to play the programmes of the Easter Festival are slimmer now because of financial pressures: this year there have been two cycles, each with two symphony concerts, a Matthäus Passion and a Proserpine. The programmes but arranged in a different order.

And still in spite of the prices, his admirers flock to hear him. This year the best seats for the opera performances cost more than £50 each at the present exchange rate of exchange. For symphony concerts there are some seats upstairs, "only for students of art and music" at £10. Everything is packed out. Many seats are bought on a subscription basis. Though the atmosphere of near-worship is trying, it is not more so than the display of massed wealth at the Summer Festival. The Easter Festival are mainly German-speaking, but a good many French, Scandinavian, American and even a few hardy English annuals. For the first cycle there was downpour after downpour with high winds and one day of brilliant sun when the mountain-peaks sparkled and the pastel facades dried and found their colours again.

The main attraction of the Easter Festival is the chance of hearing the Berlin Philharmonic under their regular conductor on several evenings in succession: of hearing them, what is more, not only in programmed conventional programmes but usually bring on their visits to London, but in opera. The two concerts this year consisted of one symphony piece—Mahler's Sixth and Bruckner's Fifth. The Mahler was a stunning piece of orchestral virtuosity, not virtuosity for its own sake but directed to the heart of the music. The sound continually astonished in ways that varied from lacinating (but never effusive) sweetness in the slow movement to seething acid in the symphony's many passages of turbulence. In the Sixth, Mahler uses his giant orchestra not with the restraint shown, for example, in Das Lied von

National Gallery

Gothic Masters of Cologne

by DENYS SUTTON, Editor of Apollo

It is now over a quarter of a century ago that the idea was entertained of holding an exhibition of German medieval and Renaissance art in London but although on several occasions it nearly came to fruition, the difficulties proved insuperable. Thus the London public has every reason to be grateful for the exhibition devoted to one section of the subject—the Gothic art in Cologne—that is on view at the National Gallery, until June 1.

German art is little known in England. This was not always the case: in the 19th century the painting of Cornelius and the illustrations of Rethel had considerable influence in this country and the Prince Consort and a few other collectors bought early German pictures. Dürer had a following in the 1890s and 1900, especially among men of letters, and Grünewald appealed to the avant-garde of the 1920s. And in the years between the wars, South German and Austrian Baroque and Rococo had their enthusiasts, Sacherell, Sitwell, Anthony Blunt and "Chips" Channon among them.

One reason for the neglect of the early German School was that the English connoisseurs went for Italian painting: they may have felt that once they had familiarised themselves with the richness of Italian art, it was asking too much to take on another and complicated School. Exceptions existed: Campbell Dodgson and Sir Karl Parker, but their interests were mainly directed to graphic art.

The intriguing character of early German painting is brought out in this exhibition, selective though it is. The paintings, sculpture, illuminated manuscripts, and stained glass in it can be appreciated in their own right, but the specific nature of Cologne's contribution to the arts of this period can only be properly understood when its geographical position is remembered: the city was rich and pious and artists from different parts of Europe were active there.

Determining influences on style came from French and Bohemian art and the Cologne painters of "around 1400" were no less international or cosmopolitan than those of Prague or Dijon.

One of the most enchanting paintings in the show, "The Small Calvary" by the Master of Saint Veronica provides an elegant illustration of the international style. Yet this anonymous master's adherence to a manner current in other lands did not prevent his displaying a pleasing originality, shown in the blues reds and golds that give

the panel its rufulence. This master was able to suggest drama and intensity, as transpires from the features of Christ and the two thieves in this picture.

The sweetness of the Master of Veronica was less a feature of the Cologne School. It occurs in the paintings of Stephen Lochner who was born in all probability in the Lake Constance area and was recorded as being in Cologne in 1442. He became one of the most poetical of German painters, achieving a

ing for humanity. Whether the author of the catalogue is right to speak of an almost "expressionistic" use of colour, in the sense presumably of colour related to modern Expressionism, is another matter. Some may feel that no painter of the new fashionable Expressionism ever attained to the refinement of Lochner's art.

The Cologne School had close connections with Flemish art. A strong Netherlandish influence marks the work of the Master of

that note of self-searching which can make German portraits so arresting. One remarkable portrait is that of an old woman by the Master of St. Severin, which has a strong Flemish touch (from Poelsdonk Lacey).

The characteristic of German painting is a romantic way of representing landscape. This may be seen in The Conversion of St. Hubert (National Gallery), one of the panels from an altarpiece, which is an anonymous artist working in the studio of the Master of the Life of the Virgin. Although it does not have the poetical quality found in painting by artists of the Donau School, it suggests the extent to which artists such as Caspar David Friedrich stemmed from a German tradition.

In many ways the exhibition is a triumph for the Master of the St. Hubert Altarpiece, whose painting has aroused considerable attention in recent years and formed the subject of a major show at Cologne in 1961, with a catalogue containing an admirable essay by Dr. Pieper. This painter, who may have been a monk, was probably trained in the Netherlands and he worked in Gelderland and Utrecht before moving to Cologne. Indeed, a view of Utrecht is glimpsed through the window in his forceful portrait of a man from the Wallraf-Richartz Museum.

The Master of the St. Hubert Altarpiece was a robust artist who gave sculptural volume to his figures. In the magnificent Crucifixion from the Wallraf-Richartz Museum the intensity of Christ's suffering is heightened by the mood of St. Jerome and the Magdalen. No less impressive is the Deposition, belonging to Lord Halifax; the impact is reinforced by the action being set within a carved shrine, thus recalling the relationship between painting and the stage.

Can we really talk of a Cologne School? Does a common denominator link its artists—sculptors as well as painters—during the period covered in this exhibition? Perhaps it is better to think of the Cologne School as one in which artists from different countries or regions made their contribution to the whole and in which, as with the Ecole de Paris, possibilities for interchange existed. The abrupt end of artistic innovation remains a curious feature of Cologne painting and Dr. Zehnder in his catalogue preface, which could have been rather more extensive, considers that it was also from the latest developments taking place elsewhere in Western art. Unfortunately no suggestions are advanced to explain the reasons for this retardation of artistic activity and restoration outlook.



'Two Holy Kings' by a Cologne Master of around 1400

subtle presentation of form and richness of colour, as in his masterpiece the Madonna of the Rosebush in the Wallraf-Richartz Museum, which is unfortunately not in the exhibition. The two pictures by Lochner on view (one from the National Gallery, the other from Cologne), which once belonged to the same composition, must suffice to convey his pictorial qualities and feeling

the glorification of the Virgin, above all one derived from Roger van der Weyden, whose impact was no less considerable in Spain. The Cologne painter is well represented by an intriguing frieze of figures of St. Maurice and his Companions, which possesses an air of mystery which gives it a "German" quality. Here, more than with Lochner, may be found

Berne String Quartet

by RONALD CRICHTON

The young ensemble from the Swiss capital gave a recital on Sunday of two substantial modern works, one by a respected Swiss composer of the middle generation, the other by one of his pupils, an Englishman respected on the Continent but hardly more so at home in his own country. Klaus Huber (born 1934) wrote his first complete quartet in the early '60s, only a few years before Brian Ferneyhough produced his Sonatas for String Quartet. Both are eminently serious, fully notated scores of a kind new by avant-garde standards—old-fashioned though they might not strike the average concert-goer in this country. Both are made of several short sections, Huber's arranged in two parts; Ferneyhough's played right through with only tiny pauses. Ferneyhough's Sonatas have sections some of them very short. Not easy listening at first acquaintance, partly because the attention is constantly caught by details (particularly when those details are given with the clarity, precision and clean intonation that marked this performance) at the expense of the argument. But to advantage.

Television

AND TENDERS

BIDS

Doh would he be of soul who could pass by a sight so touching to its majesty—or to put it another way, who could resist a programme with an opening sequence fronted by the Queen herself, not wearing a headscarf and patting a horse, but dressed in full regalia and speaking straight to camera, straight to a describing the Crown Jewels.

Festival Hall

LSO Jubilee concert

by MAX LOPPERT

The London Symphony Orchestra's method of celebrating the Queen's Silver Jubilee was to compose an exceedingly odd programme for Sunday's concert—a new brass, empty Jubilee Prelude from John McCabe followed by diverse (but all equally non-celebratory) intensities, glooms and darkneses of Britten, Duparc and Shostakovich. Perhaps the imbalance was caused by the disappearance of the promised new Richard Rodney Bennett piece—what happened to it?

Royal Heritage

by CHRIS DUNKLEY



Huw Wheldon introducing 'Royal Heritage'

the programmes: they describe the palaces, the art, and the artefacts collected by British kings and queens, and reveal a lot about the collectors. Historian J. H. Plumb and Sir Huw Wheldon wrote the series and Sir Huw—retired managing director of BBC TV and former anchorman of Monitor—presents them. As anyone who spends even five minutes with him discovers, Sir Huw is not only a great host ratings and overseas sales, but there is a lot more that that to

telling, but is an inveterate spinner of yarns himself. "Our story begins," he confides in Programme 1, all factually-like, "with The Tower."

It goes on to Edward I, Wheldon evokes the vision of "his poor entourage" forced to stand alongside his stand because, even after a hard day in the saddle, the restless "hard-chested" king insisted on standing around both before and after dinner. And it moves to Westminster Hall where Wheldon recalls the hot and dirty Pepsys, popping in during the fire of London to buy a clean shirt. For anyone with even the vaguest feel for history it is a highly entertaining stuff.

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EUROPEAN NEWS

EEC will seek big rise in resources of IMF

BY REGINALD DALE, EUROPEAN EDITOR

LUXEMBOURG, April 18

EEC FINANCE Ministers today agreed to press for a substantial increase in the resources of the International Monetary Fund at next week's meeting of the Fund's Interim Committee in Washington.

Mr. Healey said that while the Nine would still like to proceed with the \$25bn. OECD "safety net" for countries in difficulties, they now accepted that the U.S. Congress was unlikely to agree

Moves from the Left to oust Italy's Government

By Dominick J. Coyle

ROME, April 18

ITALY'S MAIN political parties agree that the days of Sig. Giulio Andreotti's minority Christian Democrat Government appear limited after only eight months in office.

Both the Communists and the Socialists, whose tacit support in Parliament has maintained Sig. Andreotti in office since last year's premature general election, are demanding a change, but their present emphasis seems to be more on policies and Cabinet personalities than an attack against the Prime Minister.

Any move over the next few weeks could be more in the nature of a Cabinet reshuffle than the formation of a new Government.

The Socialists, with 10 per cent of the national vote and the country's third largest party behind the Christian Democrats (DC) and the Communists (PCI), have prepared an economic and social programme as a basis for discussions with all the other parties.

These bilateral talks, interrupted by the Easter holidays, are scheduled to resume here tomorrow and end, subject to the agreement of the DC, lead to all-party negotiations on the formation of a new Government.

Any such administration would still leave the Communists at least nominally in opposition, and certainly excluded from any direct Ministerial responsibilities.

These complex political moves are the only way for Italy, since the DC no longer has the vote to rule on its own, while the Socialists are still refusing to enter another centre-left coalition unless the Communists can be associated with it.

MR. TINDEMANS' VICTORY IN BELGIUM

Opening for Socialists

BY DAVID BUCHAN, BRUSSELS, APRIL 18

BELGIUM'S PRIME Minister, Mr. Leo Tindemans—the frustrated architect of closer European union—has built himself a provisional 113 seats of the 212 in the Lower House, his former coalition back with a majority after yesterday's general election.

The result is a personal triumph for Mr. Tindemans, whose Flemish Christian Social Party (CVP) gained strongly in Flanders and whose national prestige carried the sister party open in French-speaking Wallonia.

The universal expectation is that the Premier will try to bring the Socialist Party—the largest Opposition party which after its gains yesterday in the south, now has 60 seats in the Chamber.

One of the many grand rules of Belgian politics is that every Government must have a decent showing, if not a majority, in each linguistic community.

Mr. Tindemans no longer had this majority, but he managed to pass a devolution measure. During his first year in office, he was really wasted in this crucial area.

Swedish shipyard aid: THE SWEDISH Government today proposed a Kr.14bn. (\$1,900m.) loan to help shipowners with cash problems from having to sell ships at current low prices.

Finnish ship engineers strike: THE UNION of ships' engineers today surprisingly declared a sympathy strike with the union of electrical technicians whose strike is now in its fourth week.

Shift likely in Cyprus policy: NICOSIA, April 18. THE GOVERNMENT of President Makarios is considering a shift in its policy, following the failure of the recent Vienna talks to produce progress towards a Cyprus settlement.

Labour plan for Norway: OSLO, April 18. MAINTAINING FULL employment and creating a "qualitatively better society" are the two main goals of Norway's Labour Government for the period 1978-81.

Conway: implacable opponent of violence: DUBLIN, April 18. THE LEADER of the Roman Catholic Church in Ireland, Cardinal William Conway, who has died aged 64, was an implacable opponent of violence in Northern Ireland.

Mr. Tindemans' victory in Belgium is the only party left that has anything resembling a national party structure, they are the only ones to have a nationally agreed platform on devolution, although it does not square with the Social Christians' views.

Table with 2 columns: Party Name, 1977, 1974. Rows include Social Christians, Socialists, Liberals, Volksunie/FDF, Communists.

Mr. Tindemans claimed that economic and social, non-linguistic and regional issues were the real issues of the election. Certainly a large number of voters seemed to agree that a low inflation rate (second lowest in the EEC) and a strong currency were worth endorsing.

Bringing in the Socialists would help cover his flanks against a renewal of the widespread strikes he led just before the elections against Government policy.

Sweden proposes shipyard aid: STOKHOLM, April 18. YARDS might have to be shut down.

Finnish ship engineers strike: In addition to the Government's credit guarantees to a value of Kr.2bn. to finance the ships after completion and to allow the yards to wait for prices to rise.

Shift likely in Cyprus policy: It appears almost certain that while continuing to attend those talks (which are scheduled to resume in Nicosia next month) the Greek Cypriots will seek to internationalise further the Cyprus problem by making a new appeal to the United Nations and endorsing the Soviet call for an international conference on the island's future.

Labour plan for Norway: More will be spent on environmental protection—investment for this purpose is expected to exceed Kr.7bn. (£775m.) over the four years.

Conway: implacable opponent of violence: During the past eight years he repeatedly condemned IRA atrocities and urged the Catholic community to turn their backs on the terrorist group.

Polish dissidents: Polish police have released seven people associated with the Solidarity movement.

Spanish King calls: King Juan Carlos of Spain formally called general elections for April 23.

Anti-Left union: Twenty-eight Portuguese unions have launched a bid to break the Communist Party's control.

Britain on trial: BRITAIN goes on trial in the European Court of Rights accused of state aid.

French communists may approve elections to EEC parliament

BY DAVID CURRY

PARIS, April 18

THE LEADER of the French Communist Party, M. Georges Marchais, has said that his party might vote in favour of ratifying direct elections to the European Parliament.

The shift in the Communist position, from outright opposition on the grounds that a European Parliament will inevitably compromise national sovereignty, brings M. Marchais close to the position already adopted by the Gaullists.

President Giscard d'Estaing and his ministers have frequently repeated that they will not endorse new powers for the European Parliament.

Mr. Roger Chénouard, the president of the Independent Republican parliamentary group, was reacting to a statement from the Gaullists that, within six weeks, they would be ready to field a candidate in every constituency.

The Gaullists are opposed to a proportional representation, and while the socialists and communists endorse it in theory, they are understandably keeping quiet about their commitment while they are favourites to win an outright victory at the general election under the present system.

Meanwhile, the Independent Republican Party, in the Centre, founded by M. Giscard, has again floated the idea of switching from first-past-the-post results, to a system of proportional representation for next year's National Assembly elections.

Advertisement for Avenue Foch, a 50-story building in Paris. Includes text: 'Would you like to live on Avenue Foch in Paris?', 'Habiter Avenue Foch, à Paris? Autant habiter le bon côté.', 'At number 50, a new development is being built, one that faithfully reflects the spirit of Avenue Foch.'

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# AMERICAN NEWS

## Carter backs year delay in car rules

**WASHINGTON, April 18.** PRESIDENT CARTER is backing a proposed delay of one year in the U.S. car industry's new exhaust emission standards. The car industry has been complaining bitterly about the standards for its next model year production. As things stand, the industry cannot meet both the standards on exhaust but so far the law has not been enforced.

Carter's proposed delay is subject to the condition that the Congress approves it quickly enough to put the new rules into effect for the next model year. Otherwise, the administration will suggest implementation until 1980.

The car industry has been seeking a year delay, so the President's proposal, coupled with the industry's proposals for further tightening of emission standards, subsequently will not be well received.

The Administration will propose that current emission standards be retained for 1978 model cars but that standards for 1979, followed by a further sharp rise in standards in 1981.

The President is also proposing the imposition of a tax on cars that do not meet pollution standards with the tax coming into effect in 1983.

Coupled with legally established requirements for improving fuel economy over the next few years, the higher emission standards are seen by the motor industry as putting it under great pressure to meet environmental and energy conservation requirements.

## Drought hits Caribbean

**NEW YORK, April 18.** A SERIOUS drought is causing numerous problems in many Caribbean island countries.

In Haiti, a man-made lake supplying water for a \$35m plant is drying up, forcing utility officials to ration power to about four hours a day. The outbreak has disrupted production at a host of assembly plants serving the U.S. market with items ranging from baseballs to electronic parts up hairbrushes.

Haiti also is turning increasingly to outside for the food its parched earth cannot grow.

In the Dominican Republic, which shares the island of Hispaniola with Haiti, water is being rationed, and concerns about poor crops and resulting higher food prices.

Jamaica's sugar cane, already afflicted by a mysterious parasite, also is being threatened by a lack of water, and the capital city of Kingston is rationing water supplies.

Travellers returning from the U.S. Virgin Islands say even the rain forests look dry. "People live in fear of what would happen if a major fire were to start," one tourist relates.

## Venezuela real estate warning

**CARACAS, April 18.** VENEZUELA'S former State Planning Minister, Sr. Guillermo Rodriguez, said in an interview published today that Government intervention to control Venezuela's highly speculative real estate market was inevitable.

Sr. Rodriguez, now an active spokesman for the Government's Democratic Action Party in Congress and the architect of Venezuela's multi-billion dollar Fifth National Plan for economic development, warned that strong official intervention in real estate would be necessary in order to limit speculation, the "exaggerated profits" and the free movement of capital away from productive activity in agriculture and industry.

He complained that Government incentives, in the two latter areas, were simply not attractive enough if investors in real estate can almost unprofitably earn extremely high profits.

## U.S. tells importers of Japanese TVs to post higher bonds

**WASHINGTON, April 18.** THE U.S. TREASURY has today notified Japanese dumping of television sets in the U.S. as more widespread than once thought and has ordered importers to post higher bonds to meet the potential duties that might be levied.

The Treasury ruled in 1971 that, with the exception of Sony, Japanese television manufacturers were selling in the U.S. "at less than fair value." Dumping issues are the responsibility of the U.S. Treasury and it has since been involved in the lengthy process of deciding what extra duty to levy to compensate for the alleged dumping.

Up to now importers have been required to post a bond of \$100,000 worth 9 per cent of the television receivers imported. These bonds are a form of "deposit" and signify the willingness of importers eventually to pay whatever duty is assessed.

However, as from April 7 the Treasury has ordered these bonds to rise from 9 per cent of value to 30 per cent.

The reason for this is that the Treasury, in the course of its inquiries, has come to the conclusion there is more "significant dumping" going on than it first thought. This decision is not directly connected with the customs court ruling last week about television imports nor with the U.S. International Trade Commission recommendation that sharply higher tariffs should be imposed on Japanese television imports which is now being considered by Mr. Jimmy Carter, the U.S. President.

But inevitably the Treasury's ruling will strengthen the case of the U.S. television industry, which has for years been claiming that Japanese products are being exported to the U.S. at less than fair value.

## U.S. petrol tax rise not yet a certainty

**WASHINGTON, April 18.** before it has been published, hints of the kind of trouble that it may face have begun to emerge.

Mr. Ralph Nader, the consumer advocate, and several leading senators have already attacked the new tax proposal but there have also been warnings about the effect that the whole energy package may have on jobs, incomes, living standards and prices.

Indeed, there is now so much discussion about energy on television and in the newspapers that President Carter may already have succeeded in the first of his aims, which is to increase public awareness of the scale of the problem. It is, however, a big step from this to getting Congress to take strong action to do anything about it.

A new tax on petrol, which could eventually add about 50 cents to the price of a gallon, has been one of the major planks of the proposal. It is likely to be fiercely opposed in Congress and elsewhere and the President may yet decide not to risk a long-drawn-out fight on this particular issue. It is also a fight which he might well lose.

On the other hand, he may be tempted to include a tax in his proposal to use as a bargaining counter when the rest of the plan runs into the trouble that is widely predicted for it. Even

## Oil demand surge traced

A DETAILED picture of the upsurge in U.S. oil demand during 1976 is given in a comprehensive analysis of oil trade and consumption patterns within the Organisation for Economic Co-operation and Development.

The analysis shows a continued steady growth of oil consumption by industrialised nations.

The document, which covers the period from the start of the oil crisis at the end of 1973 up to the end of 1976, will be updated on a quarterly basis, providing government, experts and oil firms with the only existing overall oil analysis for the OECD area.

The new document provides complete balances of production, trade, refinery production and final consumption. It shows

## Veiled challenge to Videla rule

**BUENOS AIRES, April 18.** ARGENTINE President would have the last word in the case, and this remark has been taken here as a veiled challenge to General Videla's push for prosecution of those involved in the affair—no matter who they may be.

The First Army Corps announced yesterday that it was holding 15 people, explaining that the remark had been made of importance, in which several of those named are implicated, are being investigated. David Graiver's father, Juan, and brother, Isidoro, were reported to be among those arrested.

It was reported recently that an Argentine financier had been handling funds for the Montoneros, the nominally Peronist guerrilla group, totalling about \$17m, which the Montoneros had gleaned from ransoms and kidnappings.

David Graiver allegedly died in Mexico on August 7 last year in the crash of an airplane which he had chartered in New York to fly to Acapulco. Shortly afterwards it was learned that a series of banks to which he was linked had gone bankrupt, for sums totalling about \$50m. Since then, there has been doubt that Sr. Graiver in fact was aboard the aircraft when it crashed.

It is reported that Sr. Graiver was arrested last week, and the press secretary of Gen. Alejandro Agustín Lanusse during his 1970-73 dictatorship, was abducted by armed men who identified themselves as police. He is believed to be in the hands of the Buenos Aires provincial police and there is speculation that his detention could be linked to the case.

## Jamaica drops refinery plan

**KINGSTON, April 18.** THE JAMAICAN Government has scrapped plans to build a 30,000 barrel per day oil refinery on the island's south coast. It was reported here.

The refinery, planned at a cost of \$D.515m, was intended to be the centre of a petrochemical complex aimed at the U.S. market.

## Brazil may go it alone on nuclear programme

**RIO DE JANEIRO, April 17.** BRAZIL WILL have to develop a nuclear programme of its own "with or without an agreement with West Germany" to meet its energy needs, according to Mines and Energy Minister Ubaldo Ueki.

In an interview published by the Rio newspaper O Globo, Sr. Ueki said a nuclear programme for energy is the only alternative because it gives Brazil its best chance to break out of the cycle of energy generated by water.

Brazil has a multi-billion dollar agreement with West Germany under which it will receive, in addition to nuclear generating plants, sensitive fuel technology which will permit it to make its own fuel.

The accord is strongly opposed by the U.S., which fears the technology will allow Brazil to develop nuclear weapons.

Sr. Ueki pointed out that Brazil does not have sufficient coal or oil for energy production and that its hydroelectric potential will be exhausted before the end of the century, leaving only nuclear energy as a viable alternative.

Brazil could not remain dependent on foreign sources for its reactors because it would result in a diversity of types. Only by developing its own technology could Brazil standardise its reactors and have the fuel independently of problems which may come up in the international field," Sr. Ueki said.

## Shell debentures

MORGAN STANLEY announced the public offering of \$300m Shell Oil 8 per cent Debentures due 2007 at 100 per cent, and accrued interest to yield 8 per cent, reports AP-DJ from New York.

### BRAZIL'S WEAPONS INDUSTRY

# Armourer to the Third World

BY DAVID WHITE IN RIO DE JANEIRO

THE ENDING of Brazil's longstanding military ties with the U.S. is a direct result of President Carter's human rights campaign—coincides with the Brazilians' first steps as arms exporters in their own right.

Brazil's determination to build up a self-sufficient weapons industry has without doubt been strengthened as a result of its divergence with the U.S., traditionally its biggest source of arms.

As it does so, there is ample room to cash in on markets which have been left open because of other exporters' scruples. Gen. Gustavo Leites, the Air Force member of the Chicomara Junta, has stated publicly that his country wants to buy Brazilian arms because of "discrimination" by countries such as the U.S. and Britain.

The Chilean Air Force has already bought three Bandeirante light transport aircraft from the Brazilian company Embraer. Last November the same company made its first inroad into the African military market by selling to Togo three Xavante jet fighters built in Brazil under Italian licence. Another Brazilian company, Engesa, last year exported its first batch of 20 armoured cars to Qatar, and there are reports of much larger orders being placed by Libya and other Moslem countries.

armoured personnel carrier, a 75 m.p.h. armoured patrol and reconnaissance vehicle and a light combat tank with a 105 mm cannon, all named after Brazilian snakes—Urutu, Cascavel and Sucuri. The amphibious Urutu, weighing 10 tonnes and with capacity for 15 men and nearly two tonnes of equipment, is in service with the Brazilian marines and was considered for use by Canada in weather conditions completely opposite to Brazil's.

Nearby the Engesa factory in São José dos Campos, between São Paulo and Rio de Janeiro, Embraer is steadily developing as the first major air industry in the tropics. Most of its production is for civilian and agricultural use, but a new lengthened version of its twin-engine Bandeirante, a Brazilian design, is being sent to the Paris air show this year with specifically military customers in mind.

There is ample room to cash in on markets left open because of other exporters' scruples—Chile wants to buy Brazilian arms because of "discrimination" by countries such as the U.S. and Britain.

in the cases of Argentina and Uruguay. These two countries, like Chile some time ago, also ended their assistance agreements.

The aid package for 1977-78 was to be \$50m, but recent credits had only been partially used, and Brazil had already stopped using leased U.S. equipment. The loss of this aid made only a small dent in Brazil's \$2bn-odd defence budget, and none at all in army unity.

With 208,000 men under arms, less than 1 per cent of the active population, Brazil's military budget takes up only about 2 per cent of the gross domestic product, one of the lowest proportions among developing countries. Its tank force is outnumbered by that of Soviet-supplied Peru as well as by that of Cuba.

But in total numbers, and in overall strength it is easily superior to its neighbours, with armed forces man-for-man bigger than those of Chile, Peru, Paraguay, Uruguay, and Bolivia combined. About a quarter of Latin American defence spending has

been built up since the early 1960s, with rifles being made under Belgian licence, heavy machine-guns under U.S. patent, Italian Beretta pistols and straightforward armoured cars. The army has eight munitions factories—four in Rio de Janeiro and the others in Minas Gerais, São Paulo and Paraná—and four arsenals, making explosives and chemicals.

President Goulart in 1975 set up a Government war supplies company, Imbel, to absorb and improve the generally obsolete facilities and go into joint ventures with West Germany's Krauss-Maffei, maker of the Leopard tank, was mentioned as a possible partner, as were Belgian and U.S. companies.

Brazil makes a variety of missiles, is buying the technology for the West German Cobra, and has its own rocket-launching station at a place called Hell's Barrier in the extreme north-east of the country.

Engesa makes an amphibious

While attention, particularly in the U.S., is being focused on the issue of Brazil possibly obtaining nuclear weapon capacity, the country is emerging as an important future source of conventional weapons and other military equipment for other members of the Third World.

Gen. Silvio Frota, the Army Minister, said after the setting-up of the Government's new armaments company that it would be "the basis of military emancipation with regard to the arms industry, fettered as this is by the interests of exporters."

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OVERSEAS NEWS

Strange bedfellows and strong passions in Australia

BY KENNETH RANDALL IN CANBERRA

AUSTRALIAN voters are about to savour the extraordinary spectacle of Mr. Malcolm Fraser, the Prime Minister, and Mr. Gough Whitlam, the man whom he forced out of the job in 1975, campaigning on the same side on a series of national referendums to change the constitution. The situation is studded with ironies, the most obvious being the joint quest for constitutional reform after the traumatic constitutional crisis of 1975, which was precipitated by Mr. Fraser, and which led to the Whitlam Government being dismissed by the Governor-General, Sir John Kerr. Only a year earlier, Mr. Fraser's Liberal Party had led the successful campaign against one of the main proposals he has now embraced, causing Mr. Whitlam a considerable loss of prestige at the time. Sections of the Labor Party Government, and the Labor Party in general, had had doubts about the wisdom of sponsoring constitutional referendums, given the record of only eight successes in 85 attempts over a span of 74 years. Now the positions are completely reversed. The Labor Party's differences in 1974 were insignificant when compared with the rifts which currently beset both the Liberals and their coalition partners, the National Country Party. Mr. Fraser finds his personal prestige and a great deal of his future room for political manoeuvring heavily invested in what looks like a losing battle. The Prime Minister has decided to put the following propositions for constitutional change at referendums on May 21.

That elections for the House of Representatives and the Senate should be held simultaneously. That when a casual vacancy occurs in the Senate (a chamber where Australian states have equal representation, chosen by proportional voting), the political balance should not be changed—that is to say that the seat must go to the party which held it before. That future federal judges should retire at 70, and that the 300,000 voters of the Australian Capital Territory (Canberra) and the Northern Territory should have the right to vote in future constitutional referendums. To be successful, the referendums must be carried in four of the six states and with an overall majority of the votes. At present, that looks a remote possibility. Past experience shows that significant opposition to constitutional change usually assures a "no" vote. So, does confusion, and Mr. Fraser faces plenty of both.

Campaign

The official case for saying "no" has been written principally by a group of dissident Liberal Party Senators who are also leading the public campaign. No less a figure than Sir Robert Menzies, who was Australia's longest-serving Prime Minister and founder of the Liberal Party, supports them. His influence, ten years after retirement, is difficult to judge but must not be underrated in Victoria, his home state, which is also Mr. Fraser's power base. It was with evident pain that the Prime Minister had to reject the arguments of his

party's most revered figure. Mr. Fraser said recently of his constitutional proposals: "These are, I would think, simple and self-evident reforms which are going to receive support overwhelmingly throughout the community." The fact is, however, that the Liberal and Country parties throughout Australia are irrevocably split. With the Labor Party supporting all the proposals at national and state level, the present odds favour a "yes" vote across the board in NSW and South Australia, which have state Labor Governments. Sir Robert Menzies notwithstanding, Victoria should also return a "yes" majority. Queensland and Western Australia are regarded as lost causes, even in Mr. Fraser's camp. Tasmania, at best, is a marginal prospect, but still the best to make up a four-state majority. Tasmania will be seeing a good deal of the Prime Minister in coming weeks. In Mr. Fraser's political calculations, the proposal for simultaneous House and Senate elections is the most important. Without it, he must call an election for half the Senate before June 30 next year. The life of the Government would not be at stake, and there would be only the remotest chance of its losing control of the Senate. But such elections invariably bring out a strong anti-Government protest vote, creating its own momentum. Mr. Fraser knows the effect well: his own success in July, 1975, in taking a safe Labor seat in a by-election, with a swing of 17 per cent., launched his bid for power three months later. The outlook for unemployment,

Vacancies

The proposal for simultaneous elections is the most evidently political of Mr. Fraser's proposals. There is also a great deal of cynicism about the proposal for dealing with casual vacancies in the Senate. What Mr. Fraser now wants written into the constitution was firmly established convention until 1974, when it was abandoned by the Liberal and Country Parties in Queensland and NSW. Casual vacancies are filled by the state Parliament in the state which the former senator represented—in practical terms by the Government of that state. Mr. Fraser opposed both breaches of convention, although he later used the resulting non-Labor majority in the Senate to oust the Whitlam Government. But what he now sees as a sensible guarding of his own rear, his state colleagues regard as a curse—hence the deep divisions in the non-Labor parties in

Queensland and NSW. Even the innocuous-looking proposals to give Canberra and the Northern Territory voters some say in constitutional referendums has aroused passions totally unexpected by Mr. Fraser when he advanced the idea. Mr. Johannes Bjelke-Petersen, the Queensland Premier, who is fiercely and consistently anti-Canberra in almost all things, has depicted the 200,000 people of the Australian Capital Territory as pampered vassals of the Federal Government, who already run the country and should have no more say in its affairs. He ridiculed the idea of statehood for the Northern Territory, with its 100,000 voters, even though his federal party colleagues have firmly promised to do so. To exacerbate the reaction of ACT and NT voters, Queensland has launched a High Court challenge against their existing nominal representation in the Senate (of two Senators each, as against two for each state). Western Australia has even challenged their right to representation in the House of Representatives. Alone of the proposals for change, the judges' retiring age seems to have general acceptance. Sir Robert Menzies is the only notable voice raised against it—and he, it has been noted, showed the good judgment to retire at the age of 71. Mr. Fraser's hopes of salvaging much in the way of general acceptance, indeed, Mr. Whitlam went very close to carrying his referendum campaigns in 1974. If this year's campaign is still winnable, it may well be on the strength of his efforts and that, surely, must be the final irony.

Bank of Japan reduces discount rate by 1%

BY DOUGLAS RAMSEY

TOKYO, AP

THE BANK of Japan surprised industry to-day with a 1 per cent. cut in its official discount rate, to take effect to-morrow. It was the second cut in little over a month and goes some way towards meeting earlier demands for a 2 per cent. reduction in the rate, but the decision could speed trouble for Mr. Takeo Fukuda, the Prime Minister, in elections to the Upper House in mid-summer. On March 12, the Bank of Japan reduced its discount rate by a half per cent. to 5 per cent., so the new rate of 5 per cent. is between the prevailing rates in the U.S. (5.25 per cent.) and West Germany (3.5 per cent.). Until last week, both the Bank of Japan and Mr. Fukuda's House elections in which the government were opposed to an early cut in the official discount rate, chiefly because the last one was not accompanied by a subsequent reduction in rates on fixed deposits and postal savings. Mr. Hideo Eto, the Finance Minister, in a prepared statement this evening, said that the government would consider keeping interest rates on some time deposits unchanged for the moment. But he asked for authority to make appropriate cuts in interest rates, where possible. The request, put to the Bank of Japan's policy board, which formally decided the discount rate cut, now goes to the government's Interest Adjustment Council for its opinion before a final policy board decision. Mean-

while, it is reported that Mr. Komiyama, the Posts and Telecommunications Minister, will shortly push through a plan to reduce rates on postal savings. (The balance on postal savings accounts is estimated to be 25 per cent. up on that of a year ago.) It is now virtually certain that Japanese savings and deposit rates will also be cut by about 1 per cent. Otherwise the commercial banks would have to shoulder the difference between their borrowing and lending rates. Any action on deposit rates at the time of the last reduction in the discount rate was opposed on the grounds that it would alienate voters less than three months before the Upper House elections in which the ruling Liberal Democratic Party holds a one-seat majority. But the Prime Minister, who said in a speech yesterday that any new discount rate cut would have to be in tandem with a drop in deposit rates, now appears ready to take his chances with the voters. With industrial investment in fiscal year 1977 heading for a decline in real terms, according to several business surveys, it picks up significantly in months Mr. Fukuda will over the rate cut as a further political objection, it was probably because investment and other domestic economic news London in May.

Soviet leaders welcome Assad for Mideast talks

BY ANTHONY McDERMOTT

THE SOVIET UNION yesterday gave a top-level welcome to Mr. Hafez Assad, President of Syria, on his arrival in Moscow. This can be taken as a sign of Moscow's earnest intention to become deeply involved in the diplomatic negotiations in preparation for a full-scale Geneva conference, of which it would be co-chairman with the U.S. Mr. Assad was welcomed at the airport by Mr. Leonid Brezhnev, the Communist Party General Secretary. President Nikolai Podgorny, and Mr. Andrei Gromyko, the Foreign Minister, and then passed through Moscow's flag-bedecked streets in a motorcade. Mr. Assad's presence is important in that, unlike President Sadat of Egypt, he is able to talk directly with both chairmen of the Geneva conference. He is due to meet President Carter in Europe this month. A key question concerns the Palestinian representation at a Geneva conference. Mr. Yasser Arafat, the chairman of the PLO, was recently given a high level reception in Moscow and had official talks with Mr. Brezhnev. On this point, Syria is caught between its commitment to the Palestinians, its alliance with King Hussein of Jordan with whom the PLO has still to repair its relations fully, and its opera-

Indian election demand

BY K. K. SHARMA

NEW DELHI, AP

MR. CHARAN SINGH, the Indian Home Minister, to-day urged Congress Party governments in the nine northern states where Congress was routed in the recent general election to resign and seek a fresh electoral mandate. Mr. Singh argued that a "constitutional breakdown" had taken place in the nine states and a climate of uncertainty now prevailed there. "People at large longer respect the propriety of Congress Governments in these states continuing in power without seeking a fresh mandate from the electorate," he said. If the Chief Ministers in the nine states agree to the demand, elections are likely to be held in at least 14 of India's 22 states in the first week of June. For a variety of reasons, elections are due in five other states and a June poll could involve much of the country. Mr. Singh's move, decided on a Cabinet meeting to-day, amounts to a declaration of war by the Government on the Congress Party, whose new President, Mr. Swaran Singh, yesterday met the Home Minister and Prime Minister Indira Gandhi in an attempt to reconciliation and avoid "frontation." Clearly sensing ruling Janata Party's th on state elections Mr. Singh said he hoped would not be made to a existing Congress administrations. The rejection of this comes at a time of upheaval in Congress. A day inquest last week in party's General Election ended with the expulsion of Congress of Mr. Bansi former Defence Minister. Mr. Charan Singh point that he had not asked, resignation of Chief Minister of India's southern States. Congress did well in the Election. He said that north, state government not really functioning. He dismissed as a hypothesis a question at a news conference on the Government's plan Chief Ministers' request. "I think they oblige me," he said conde-

PNA rejects Bhutto off

BY IQBAL MIRZA

LAHORE, April

THE OPPOSITION Pakistan National Alliance to-day rejected outright Prime Minister Zulfikar Ali Bhutto's offer yesterday of a dialogue, as well as the concessions he announced. The PNA's general council, after a meeting in Lahore this morning called Mr. Bhutto "a usurper of the office of Prime Minister" and reiterated that the PNA does not recognise him as a lawful Prime Minister. Mr. Bhutto's reference at his Press conference yesterday to his negotiations with some PNA leaders was also categorically denied: "no leader of the PNA is in any manner, directly or indirectly, conducting any negotiations with Mr. Bhutto," a spokesman said. He added that Mr. Bhutto's repetition of his proposal to hold fresh elections to provincial assemblies showed the bankruptcy of his initiative. The PNA's rejection of Mr. Bhutto's offer is likely to result in further violence. Mr. Bhutto's introduction of partial prohibition of liquor, a ban on gambling, and his proposal to constitute a council for making recommendations regarding the enforcement of Shariah laws (Islamic law) to-day brought more criticism against his rule, instead of neutralising the political situation. Sardar Shaukat Hayat on April 15, along with National Assembly members belonging to the ruling party, demanded fresh elections to end the present blood and violence and was excommunicated from the party the same day. Mr. Bhutto, to-day announced at a Press conference that Peoples Party members Balakh Sher Mazari, Abdullah Khan Rokri and himself have resigned from National Assembly. Shaukat Hayat is an statesman and commands considerable influence among members from Punjab.

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HOME NEWS

# Another two Republicans give up hunger strike

BY OUR DUBLIN CORRESPONDENT

TWO MORE Republican prisoners on hunger strike in the Curragh military hospital ended their fast yesterday, but the Government said that the condition of the remaining 16 was bordering on the critical.

The statement was the first to give specific details of the hunger strikers' condition and was based on general observation. The prisoners are refusing to be medically examined.

The Government said that the prisoners' condition had deteriorated, having regard to the length of time they had been refusing food.

Dublin's special criminal court was told yesterday that one of the hunger strikers, due to appear on a charge of seizing a car, was totally unfit to attend. The medical officer at the Curragh said that the man, Thomas Keenan, had collapsed four days ago.

The names of the two who ended their hunger strike have not been released. The 18 included well-known Provisionals such as David O'Connell and Kevin Mallon.

One area of compromise suggested by the Justice Minister,

who said some security arrangements could be reviewed if the prisoners would undertake not to try to escape, seems to have been closed by Mr. Roy O'Brady, the Sinn Féin president.

He said at the week-end that the men were prisoners of war and, therefore, duty-bound to try to escape.

Security arrangements such as strip searches have formed the main burden of the hunger strikers' complaints, but they also allege that the searches, plus punishments such as solitary confinement, are being used capriciously.

# Powell bomb sparks Loyalist row

By Our Belfast Correspondent

THE discovery of a bomb in a hall where Mr. Kenneth Powell addressed Ulster Unionists at the week-end has sparked a bitter row between the Loyalist parties.

The 3 lb device in the hall at Lisburn, County Antrim, was found and defused after an anonymous call to a Belfast newspaper on Sunday.

The caller claimed the bomb was meant for the United Ulster Unionist Coalition MP for South Down and said it was left by an illegal Protestant paramilitary group, which he declined to name.

Police said it was almost certainly planted after Mr. Powell spoke on Saturday. The hall had been searched beforehand and nothing was found.

Mr. Powell was unimpressed when told of the discovery. "Just fancy that," he said.

Mr. James Molloy, a Unionist leader at Westminister, who was on the platform, issued a statement which brought an angry reaction from some of his colleagues.

He said that certain members of a Loyalist political party over the preceding week had been mounting a campaign against two of his colleagues, Mr. Powell and Mr. Harold McCusker, MP for Armagh.

"I assume that this incident is an extension of that campaign by other people in a more violent form," he said.

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"I assume that this incident is an extension of that campaign by other people in a more violent form," he said.

# Concern grows over Commons workload

Mr. Michael Foot is to be asked this week to make efforts to ease the work burden of MPs. Backbenchers will demand all-party talks to rationalise the parliamentary timetable.

The death of Sir Peter Kirk has highlighted the stress in particular on those MPs who are also members of the European Parliament.

# Stress on a European MP

THE DEATH of Sir Peter Kirk, leader of the Tory delegation to the European Parliament, has highlighted the stress in particular on those MPs who attend its meetings as well as Westminster, writes Philip Rawstorne.

Mr. Kenneth Baker, Sir Peter's agent, said: "I have no doubt that his death is a result of the pressure and overwork caused by his dual mandate as an MP."

Immediate reaction among many backbenchers yesterday was to register their opposition to any continuation of the dual mandate system in direct elections to the European Parliament.

Mr. Foot, leader of the Commons, and several other Cabinet Ministers are understood to be in favour of such a system which, with other notional methods of direct election, will be debated in the Commons to-morrow.

Mr. John Prescott, leader of the Labour delegation in Europe, said he believed MPs could also hold jobs at the European Parliament without serious risks if they were already healthy.

But he said some changes might be necessary in the way the British Parliament was run if the dual system were to continue.

In recent months, backbench MPs on both sides have been under considerable pressure, spending long hours at the Commons for a series of critical divisions on various aspects of Government policy.

There have been many complaints about the enforcement of three-line whips which have made it necessary for sick MPs to be brought to the Commons to cast their votes.

One MP said yesterday: "It is remarkable that more Members have not been killed by the intense strain and exhaustion."

The victims have been Mr. Anthony Crosland, Foreign Secretary (88), Mr. Brian

O'Malley, Social Services Minister (46), Mr. Hugh Delargy, a Commons committee chairman (67), Mr. Maurice Edelman (64) and Mr. Will Hamling (63).

Sir Peter Kirk, who had a heart attack 18 months ago, had completed a gruelling schedule since the beginning of March in addition to his normal day-to-day attendance at the Commons when not abroad.

His diary of engagements for the period reads:

March 1: Commons.

March 2: Lunch and talks with the Greek Ambassador in London.

March 3: Brussels for meetings of European Conservative Group.

March 4: Return to London.

March 5: Oxford speech.

March 7-11: Strasbourg for European Parliament session.

March 11: Return to Saffron Walden.

March 12: Cambridge for conference of Young European Democrats.

March 15: Brussels for European Parliament political committee.

March 16: Return to London.

March 17: Brussels political meeting.

March 18: London and Saffron Walden for meeting of Governors of Felstead School.

March 19: Constituency "surgery."

March 21: Luxembourg for Conservative Group meeting.

March 22-23: European Parliament session on farm prices.

March 24: London for four political meetings.

March 25: Speech in the Commons.

March 26: Saffron Walden constituency engagement.

March 27: Travel to Heathrow Airport.

March 28: Early morning flight to Rome for European Parliament's political committee.

March 30: Return to London.

Sir Peter returned from Rome unwell and his engagements until April 4, which had included a conference in Cambridge and another in Coventry, were cancelled.

April 4: Commons for late-night votes.

April 5: Copenhagen for meeting of Conservative Group.

April 6: Return to London.

April 7-12: Easter holiday, though some time spent working on papers.

April 13: Saffron Walden constituency engagement.

April 14: London meeting with



SIR PETER KIRK: victim of the pressure of a dual-mandate.

Young European Democrats, meeting of Conservative Party national executive, television interview.

April 15: Interview with constituent: lunch with chairman and chief executive of local district council.

April 16: Meeting with party agent.

April 17: Died after heart attack.

# Heath urges EEC members to strengthen unity

BY PHILIP RAWSTORNE

MR EDWARD HEATH last night called on members of the European Community to strengthen their industrial and economic unity.

The EEC was in danger of "making do with a partnership of the lowest common denominator," he told a European movement conference in London.

"That can never serve Europe nor meet the aspirations and ambitions of the people of the Community."

Inflation, unemployment and disparities in economic performance had created strains and exposed weaknesses in the EEC.

"Doubts and uncertainties have crept in where once there was a sense of purpose and determination. This has undermined the confidence that all great ventures require to make them work."

A renewed political will was now needed to realise Europe's

immense financial and commercial potential.

"It is essential that we work towards an industrial system that has more and more in common."

"We still need a greater co-ordination of member States economic and monetary policies and need to do a great deal more to eliminate disparities of economic policies and structures."

The establishment of an European export bank would help to provide the financial support for EEC research projects.

Community company law would do much to sweep away administrative difficulties in achieving the full advantages of industrial and financial co-operation.

"In the field of energy policy, we need to promote research into the development of new resources and fresh forms of energy."

"We need to seek improvements of conversion and utilisation techniques. This is something that we can only really contemplate doing on a European scale."

Recent economic difficulties should have reinforced our belief in the value of working together, and brought home once for all the folly of believing that it would have been better to go it alone.

"Whatever political future we contemplate for Europe, it will depend on the industrial and economic base on which we are able to build."

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# U.K. and Italy in tax pact

AGREEMENT HAS BEEN REACHED in Rome between U.K. and Italian Government officials on a proposed new comprehensive double taxation convention.

The text of the proposed convention will be submitted to two Governments for approval.

Mr. Powell said he was almost certainly planted after Mr. Powell spoke on Saturday. The hall had been searched beforehand and nothing was found.

Mr. Powell was unimpressed when told of the discovery. "Just fancy that," he said.

Mr. James Molloy, a Unionist leader at Westminister, who was on the platform, issued a statement which brought an angry reaction from some of his colleagues.

He said that certain members of a Loyalist political party over the preceding week had been mounting a campaign against two of his colleagues, Mr. Powell and Mr. Harold McCusker, MP for Armagh.

"I assume that this incident is an extension of that campaign by other people in a more violent form," he said.

# Ocean Transport to switch sailings from Mersey

BY ROY ROGERS, SHIPPING CORRESPONDENT

CONTINUED congestion in the Port of Liverpool has led the Mersey-based Ocean Transport and Trading to switch some of its services to Grangemouth, Scotland.

Although only one sailing a month is involved, Ocean's move will be a considerable blow to the morale of the Mersey Docks and Harbour Company, which already has to contend with congestion surcharges imposed by a growing list of shipping conferences.

For its part, the Mersey Docks and Harbour Company maintains that the congestion, caused largely by labour shortages and higher than expected traffic, has passed its peak.

Mr. John Page, the chairman, says that progress is now being made in clearing the backlog. He hopes that shipping conferences will soon be in a position to consider removing the surcharges.

His comments follow a warning that the Thailand-Europe shipping conference intends putting its own Liverpool stevedores through the port because of "inordinate delays."

Describing the port's problems as a "temporary bout of indigestion," Mr. Page contended that good progress was now being made.

However, shipping lines are clearly not convinced. A notice being sent out this week by Ocean for the joint U.K. West Africa Lines stresses that "continued chronic labour shortages in Liverpool" have made it necessary to move the Matardi from there to Grangemouth which will become her U.K. base as of next month.

Ocean's decision to divert some of its sailings from its home port

was taken very reluctantly after comparing the performance of its own Liverpool stevedores with those employed by the Mersey Docks and Harbour Company.

Ocean will continue to use its own stevedoring facilities in the port, but when it is unable to handle all its vessels, the excess will be diverted to Grangemouth instead of the Mersey Docks and Harbour Company.

Ironically, the vessels concerned are involved in the U.K.-West Africa trade, much of it with Nigeria, itself the scene of considerable port congestion over the past year.

Ocean's dissatisfaction with the Mersey situation is not entirely new. Several years ago it decided to run some of its services from Middlesbrough, even though much of the exports involved is manufactured in the North West and are trucked across country to Middlesbrough.

# More Home News Page 16

# Tax-threat divers leaving U.K.

HIGHLY-PAID divers working on North Sea oilfields development are leaving Britain because of a move by the Inland Revenue to tax them on a PAYE basis, Mr. Tom Hollobone, Secretary of the Association of Offshore Diving Contractors, claimed yesterday.

The 1,500 divers are self-employed, many of them earning above £18,000 a year. This has given them the chance to claim bigger allowances and to pay tax

later than those assessed for PAYE.

The Inland Revenue will be told of this "drain" when it meets the association in London to-morrow.

The association representing companies which hire most of the North Sea divers, will press for greater allowances for the men. Safety standards could be affected if senior divers go abroad to work, it is claimed. "If key personnel go elsewhere, companies will have to draft less experienced divers to complicated tasks," Mr. Hollobone said.

The divers are claiming pre-ferential treatment because of the high risks they take, the health dangers, and the fact that they often have to retire from deep sea work at the age of 35. They sometimes have to spend up to a month in pressured diving bells. "This is probably the world's most unsocial job," Mr. Hollobone said.

# Indoor cricket school for Lord's

BY TREVOR BAILEY

LORD'S, THE headquarters of cricket, will at last have an indoor cricket school—with seven nets and covering an area large enough to stage the final of the indoor cricket tournament next winter.

The whole hall will be unfurled with two of the nets slower and more receptive to spin than the others.

The capital for this project has been raised by donations. Mr. Jack Hayward, who has already done so much for women's cricket, provided £75,000.

The Sports Council put up

£50,000, MCC members £42,000, the Prudential Insurance £20,000, NatWest £10,000 and Debenhams £10,000.

The manager of the cricket school will be Mr. Tony Fleming, who has had considerable sporting experience in the RAF. An international cricketer of standing, he will be appointed chief coach shortly.

These facilities must benefit cricket.

Lord's has always lacked this one basic facility. Given our climate, an indoor cricket school is really an essential.

Also, unlike many sports cricket is not a natural pastime, as batting requires an essentially sideways-on technique.

Without this ability no player can hope to reach the top, but equally he does require a grounding in the fundamentals, preferably at an early age.

W. G. Grace started at about five. The Inner London Education Authority intends to use the school during the day and the evenings will be mainly devoted to clubs. It is expected that the project will be completed in August and will include a bar and a shop.

# U.K. oil trade deficit narrows

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE STRIKING feature of the improvement in the trade figures during the first quarter has been the narrowing in the deficit on oil trade.

This has fallen from £1bn. to £544m. between the fourth quarter of 1976 and the first three months of this year.

The smaller oil deficit partly reflects a lower level of oil imports after the stockpiling ahead of the widely-anticipated oil price rise at the end of last year. However, exports of oil have risen from £369m. to £451m. over the past two quarters.

Otherwise, the figures are distorted by the difficulties of

seasonally adjusting imports during Christmas and New Year holidays.

But the rise in the pound since last autumn has been reflected in a 2 per cent rise between the quarters in the terms of trade index—the ratio of export prices to import prices.

	Exports		Imports		Terms of trade		Oil balance
	£m.	seasonally adjusted	£m.	seasonally adjusted	1970=100	1970=100	
1976							
1st	5,611	6,149	131.5	126.1	81.6	-960	
2nd	6,289	7,128	137.1	134.4	80.3	-957	
3rd	6,400	7,548	134.2	137.2	80.5	-1,043	
4th	7,074	8,061	140.8	138.1	79.2	-1,004	
October	2,306	2,624	140.8	140.6	79.4	-259	
November	2,320	2,775	138.1	140.1	78.7	-407	
December	2,448	2,662	143.3	133.6	79.6	-331	
1977							
1st	7,402	8,355	140.5	142.1	80.9	-814	
January	2,472	3,004	140.6	153.6	81.4	-257	
February	2,432	2,621	138.0	133.8	80.8	-204	
March	2,498	2,730	142.8	139.0	80.4	-254	

\* The ratio of export prices to import prices.

# Merrill Lynch & Co., Inc. consolidated statement of financial condition, as of December 31st 1976.

ASSETS		LIABILITIES AND SHAREHOLDERS' EQUITY	
Cash and Securities on Deposit		LIABILITIES	
Cash (includes time deposits of \$54,582,000 in 1976)	\$ 88,406,000	Loans and Payables	
Cash segregated in compliance with Federal and other regulations	16,125,000	Collateral bank loans	\$1,753,255,000
Securities on deposit in compliance with Federal and other regulations, at market value	130,442,000	Commercial paper	393,797,000
	234,973,000	Securities sold under agreements to repurchase	1,603,785,000
Receivables		Brokers and dealers	341,748,000
Brokers and dealers	165,207,000	Customers	927,614,000
Customers less allowance for doubtful accounts of \$13,528,000 in 1976	2,363,833,000	Insurance policy benefits	30,268,000
Securities purchased under agreements to resell	932,493,000	Drafts payable	206,976,000
Other	101,982,000	Other	87,514,000
	3,563,515,000		5,344,957,000
Securities Inventory, at Market Value		Commitments for Securities Sold but Not Yet Purchased, at Market Value	
Bankers' acceptances, certificates of deposit and commercial paper	870,342,000	United States and Canadian governments	341,421,000
United States and Canadian governments	1,350,763,000	Other	83,516,000
States and municipalities	135,318,000		424,937,000
Corporates	246,559,000		
	2,602,982,000	Accrued Liabilities and Expenses	
Other		Income taxes	61,848,000
Investment securities, principally bonds, at amortized cost; market value, \$41,837,000 in 1976	41,653,000	Employee compensation and benefits	78,688,000
Office equipment and installations less accumulated depreciation of \$47,699,000 in 1976	74,337,000	Other	75,285,000
Deferred insurance policy acquisition costs	37,330,000		215,821,000
Other assets	62,997,000	SHAREHOLDERS' EQUITY	
	216,317,000	Common stock, par value \$1.33 1/3 per share—authorized 60,000,000 shares; issued 36,140,179 shares	48,187,000
Total	\$6,617,787,000	Paid-in capital	87,185,000
		Retained earnings	518,597,000
			653,969,000
		Less common stock in treasury, at cost—982,569 shares in 1976	21,897,000
		Total shareholders' equity	632,072,000
		Total	\$6,617,787,000



Merrill Lynch International & Co.

Merrill Lynch International & Co. is a member of the Merrill Lynch & Co., Inc. group of companies.

Branches and subsidiaries and affiliates in: Abu Dhabi, Amsterdam, Athens, Bahrain, Barcelona, Brussels, Buenos Aires, Cannes, Caracas, Dubai, Düsseldorf, Frankfurt, Geneva, Hamburg, Hong Kong, Kuwait, London, Lugano, Madrid, Manila, Milan, Montevideo, Panama City, Paris, Rome, Rotterdam, Sao Paulo, Seoul, Singapore, Sydney, Taipei, Tokyo, Vienna, Zurich. Joint venture in Tehran—Iran Financial Services Co.

هنا من الأمل



السؤال الأول

# CITROËN CX

Whilst the executives of monolithic corporations will undoubtedly continue to have fleets of uniformly characterless company cars imposed upon them, an opportunity exists for the principals of less bureaucratic organisations to make capital of size and project an individualistic image with a more inspired choice.

Few, if any, executive style production car lines today offer such scope with such a versatile selection of model variations as the Citroen CX range.

### CITROËN CX 2000.

Value for money is the one factor that over-rides all else in the Citroen CX 2000.

For a relatively modest outlay its driver enjoys the refinements inherent in all CX models: reclining front seats with headrests, VariPower steering, quartz halogen headlamps, hazard warning lights, reversing lights, self-levelling hydropneumatic suspension, single arm windscreen wiper and electric screenwash, heated rear window, laminated windscreen, carpeted rear parcel shelf, and an array of warning lights on the futuristic instrument panel that even includes one for front brake pad wear.

(In return for a somewhat higher price, the Citroen CX 2400 offers rather more power and an even more luxurious finish that includes electrically operated front windows.)

### CITROËN CX DIESEL.

At a constant 55 mph the Citroen CX 2200 Diesel returns 44.83 mpg, a point that will be no small consideration for many motorists.

Another important feature which figures highly in making this dignified saloon attractive for drivers is summed up in the words of CAR magazine: "The CX isn't just a worthy addition to the diesel ranks, it's the quietest and smoothest diesel yet."

### CITROËN CX SAFARI ESTATE.

The Citroen CX 2400 Safari is a triumphant refusal by Citroen designers to accept that estate cars must appear like cumbersome hulks reminiscent of World War II army vehicles.

Elegant lines belie a rugged nature. A staggering weight load of more than half a ton can be accommodated in its mind-boggling interior capacity: 72 cu.ft. with the rear seat folded forward.

(For those who prefer diesel, the Citroen CX 2200 Safari is a faithful long-service workhorse.)

### CITROËN CX PALLAS.

Unabashed luxury is the overwhelming impression conveyed by the Citroen CX Pallas.

The front windows are electrically operated and rear passengers can enjoy the convenience of two reading lights. Extras available include air-conditioning, leather upholstery, tinted windows and C-matic transmission. C-matic eliminates the clutch pedal and transmission is achieved by use of a torque converter fluid coupling with automatic operation.

### CITROËN CX PRESTIGE.

C-matic is standard on the CX Prestige, Citroen's ultimate limousine. In length it measures 9 3/4" more than other CX saloons and the rear doors are 7" wider.

Four stereophonic speakers, tinted windows and air-conditioning are standard. All window winders are electrically operated. Upholstered footrests are provided for the rear passengers and the rear window has translucent sunblinds.



CITROËN CX 2000. £4249.44



CITROËN CX DIESEL. £4949.10\*



CITROËN CX 2400 SAFARI ESTATE. £5350.34



CITROËN CX PALLAS. £5235.75\*



CITROËN CX PRESTIGE. £7400.25

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From Cars Ltd, Mill Street, Slough SL1 5DE. Tel: Slough 29808. All Citroen cars have a 12 months guarantee. Please enquire about our Personal Export, H.M. Forces and Diplomatic schemes and Preferential Insurance and Finance schemes. Check the Yellow Pages for the name and address of your nearest dealer. Prices include car tax, VAT and seat belts but exclude number plates and delivery charges. \*Sunblind extra. Prices correct at time of going to press.



APPOINTMENTS

Executive change at Pilkington

Mr. G. W. T. Bird, executive chairman of PILKINGTON BROTHERS, will be retiring from full-time executive work after the annual meeting on September 2 and the post of executive vice-chairman will cease to exist. Mr. Bird will remain a director. Mr. L. N. Wall and Mr. J. Leighton-Boyer are to become deputy chairmen from that date. Dr. D. S. Oliver and Mr. G. N. Hays have been appointed directors from July 1. Dr. Oliver is in present charge of group research and development. Mr. Hays, who is managing director of Pilkington AGI, Melbourne, will take up his duties in the UK with effect from September 1. He will be succeeded in PACT as managing director by Mr. J. W. Davis, on August 19. Mr. Davis is general manager of the South-East Asia Group, Australian Consolidated Industries, and an alternate director on the Board of Pilkington AGI.

Leyland Special Products has made several changes to the Board of AVELING-BARFORD LIMITED as a result of the recent formation of Aveling-Barford International. Following their appointments to Aveling-Barford International, Mr. J. M. Gifford and Mr. E. B. Milliken have resigned from the Board of Aveling-Barford Limited and Mr. A. W. Gilling has retired. The new Board of Aveling-Barford Limited now consists of Mr. J. D. Abell, chairman; Mr. G. M. Warren, deputy chairman; Mr. A. W. Gilling, managing director; Mr. L. S. Brittain, parts and service; Mr. L. A. Morris, finance; Mr. R. L. Mortimer, works; Mr. R. W. Fulfey, sales; Mr. E. B. Washin, technical; and Mr. W. G. Wardell, purchase. Non-executive directors are Mr. D. J. Brooks, Mr. F. Clem and Mr. H. C. Ryan.

Mr. Eric F. Boswell has been appointed commercial executive of BIRKBY'S PLASTICS, reporting to Mr. Geoffrey R. Howe, director and general manager. The parent concern is Plessey.

NORDIC BANK has appointed Mr. Jorgen Seterberg as regional

Group post Singer management reshuffle at Tarmac

Mr. Edward Jones, until recently managing director of Steedley Minerals Group, has been appointed director and general manager of TARMAC MINERALS. He will report to Mr. D. T. Carr, managing director of Tarmac Roadstone Northern.

Mr. R. F. Richardson, chairman and managing director of Abbey Life Assurance Company has been appointed group general manager for all the life and health functions in Europe of the HARTFORD EUROPE GROUP, which Abbey Life is one of the main UK subsidiaries.

The property and casualty functions of the European subsidiaries—Zwolsche in Holland and Transatlantische in Germany—will be integrated with the property and casualty business of the Hartford Group's other main UK Company, Excess Insurance. Mr. W. Samegan Turner, chairman and chief executive of Excess, has become group general manager, property and casualty operations, Europe.

Mr. Richard M. Strong, a director of Charterhouse Development, has been appointed to the Board of COMPUTER ANALYSTS AND PROGRAMMERS, the computer software company which Charterhouse Development, Capital and the National Enterprise Board recently acquired equity holdings.

Mr. J. H. Icke has been made a director of WEIR FOUNDRIES (EXPORT SALES), the company recently established to co-ordinate the export operations of the Weir Group's foundries division. On taking up this appointment, Mr. Icke retires from the Board of

O. H. Steel Founders and Engineers, also a member of the foundries division.

Mr. J. D. Hanson has been appointed treasurer of BRITISH EXPORTERS and Mr. E. D. Smith Wright has become financial controller. Mr. D. W. Allen will be chief internal auditor from May 1. Each will be responsible to Mr. B. E. Friend, financial director.

Sir Steven Runciman has accepted the chairmanship of the NATIONAL TRUST FOR GREECE in succession to the late Mr. Robin Fedden. The Trust is a registered British charity for the conservation of the countryside and monuments of Greece.

Mr. Gordon McLeod has been appointed works director of WILLIAM THYNE (PLASTICS).

Mr. Anthony M. Lettis has been appointed chief executive of NADELLA BEARING COMPANY, succeeding Mr. Martin Polson, who remains a consultant.

Mr. G. W. Davies has been appointed merchandising director of PIPPA DEE PARTIES, a subsidiary of Rosgill Holdings.

Mr. B. V. Day, general manager of the ECCLESIASTICAL INSURANCE OFFICE, will become chief officer from July 1 following the retirement of Mr. Allan Grant as an executive.

Mr. Nigel R. L. Hudson has been promoted to senior vice president as general manager of the

Don't slip... The main features in this issue examine the key dilemmas for world leaders as they prepare to gather in London for the summit to spur, or not to spur, the world's ailing economies. A highly critical set of questions is put to Dr. Apel, German finance minister—who gives equally forthright answers—w Dick Wilson analyses the attitude of the other country in attack, Japan.

Mediterranean report... Often ignored in this debate are the European countries which might be thought to be most vulnerable to a further spew "tight money"—Italy, Spain and Greece: our "Mediterranean Report" fills the gap.

Offshore financial centre... The proliferation of international banking services in the so-called offshore centres "on which the sun never sets" is summarised and appraised in this month's survey.

THE BANKER... Can be ordered through bookstalls price £1.00 or direct from Bracklen House, Cannon Street, EC4A 4BY. Price £1.30. U.K. subscription rate £14.40. APRIL ISSUE ON SALE NOW

T.F. & J. H. BRAIME (HOLDINGS) LIMITED... (Sheet Metal Pressings, Oilcans and Elevator Buckets). The Twenty-seventh Annual General Meeting of T.F. & J. H. Braime (Holdings) Ltd. was held in Leeds, Yorkshire, on 15th March 1977. The Chairman, Mr. R. H. Braime, M.A., presided and following is his circulated statement.

I am pleased to report that an uplift in the requirements of several of our major customers in the closing months of 1976 enabled us to increase the Group turnover to £7,994, (1975—£1,498,025) and the Group Trading Profit to £198, (1975—£124,076). The Investment Income was £29,546 and there is to be added an exceptional item of income of £38,300, being the recovery of debts owing to the Company from years for which the Board had deemed it prudent to make at the time. The Directors have taken note of the recently published proposals for Inflation Accounting and, with their professional advisers, are considering the need for their implementation. To bring the Issued Capital more in keeping with the employment in the business, the Board proposes an issue of "A" Ordinary share for every five Ordinary and/or Ordinary shares held by capitalising £60,000 of Reserve. These shares will not rank for dividend in respect of 1 year ended 31st December, 1976. The new Trading Year has opened with a steady demand for our products, and great efforts are being made to increase our Export Trade. I conclude my statement by paying tribute to all the employees here during the past year. This is no formality. Company like ours is entirely dependent on the skill and industry of all those who work in it. A final dividend of 10.05% (2,5125 pence per share making 14.3% (3,575 pence per share) for the year approved. (1975—13% or 3,25 pence per share.) Mr. Norman Chamberlain, Company Secretary, who is appointed Director on 13th September, 1976, was re-elected and Mr. R. H. Braime, the Director retiring by rotation, was re-elected.

HOME CONTRACTS Newton Chambers wins £2m. CEGB order

NEWTON CHAMBERS ENGINEERING, a subsidiary of Central and Sheerwood, has received an order worth about £2m. from the Central Electricity Generating Board for water control equipment at its Dinorwic power station in North Wales.

ANDREWS & WEATHERFOOT, part of the Powell Duffryn Group, has been awarded two contracts together worth £120,000 by Reckitt and Colman for the installation of heating and ventilation systems in existing buildings at Hull.

K.S.E. MANUFACTURING COMPANY, Leeds, has been awarded an order worth about £100,000 for the complete electrical installation at the new Lyric Theatre for the London Borough of Hammersmith.

W. GARRATT AND SON, Sheffield, has won an £80,000 sub-contract for the supply of parapets and walkways for the bridge to carry the Metro over the Tye between Newcastle and Gateshead. The sub-contract was placed by the Cleveland Bridge and Engineering Company, who have formed a consortium with Cementation Construction to act as main contractors for the bridge.

New six-wheeler joins Mercedes U.K. range

MERCEDES-BENZ introduces a 24-ton double-drive six-wheeler truck in Britain to-day. As one of Mercedes' New Generation vehicles, the truck is known as the 2419, with the suffix '7' to identify it as the shortest 31 foot 10 inch wheelbase version, intended primarily for upper work.

The new 2419 will be on display at the RHA tipper exhibition opening in Harrogate on April 29, but the chassis will not become generally available from dealers until about July.

Rand Mines Limited Gold Mining Company and Colliery Reports for the Quarter ended 31st March, 1977

(All Companies incorporated in the Republic of South Africa) Office of the Secretaries of the undermentioned companies in the United Kingdom: 40, Holborn Viaduct, London EC1P 1AJ.

CITY DEEP, LIMITED CONSOLIDATED MAIN REEF MINES AND ESTATE, LIMITED CROWN MINES, LIMITED

Table with columns for Quarter ended 31.3.1977 and Quarter ended 31.12.1976. Rows include Gold milled, Gold produced, Revenue, Profit, and Capital expenditure.

HARMONY GOLD MINING COMPANY LIMITED

Table with columns for Quarter ended 31.3.1977 and Quarter ended 31.12.1976. Rows include Gold milled, Gold produced, Revenue, Profit, and Capital expenditure.

EAST RAND PROPRIETARY MINES, LIMITED

Table with columns for Quarter ended 31.3.1977 and Quarter ended 31.12.1976. Rows include Gold milled, Gold produced, Revenue, Profit, and Capital expenditure.

BLYOORUITZICHT GOLD MINING COMPANY, LIMITED

Table with columns for Quarter ended 31.3.1977 and Quarter ended 31.12.1976. Rows include Gold milled, Gold produced, Revenue, Profit, and Capital expenditure.

DURBAN ROODEPOORT DEEP, LIMITED

Table with columns for Quarter ended 31.3.1977 and Quarter ended 31.12.1976. Rows include Gold milled, Gold produced, Revenue, Profit, and Capital expenditure.

WELGEDACHT EXPLORATION COMPANY, LIMITED

Table with columns for Quarter ended 31.3.1977 and Quarter ended 31.12.1976. Rows include Tons sold, Working profit, Profit before tax, and Capital expenditure.

WITBANK COLLIERY, LIMITED

Table with columns for Quarter ended 31.3.1977 and Quarter ended 31.12.1976. Rows include Tons sold, Working profit, Profit before tax, and Capital expenditure.

WE CAN CUT YOUR COMPANY'S COSTS

Have you ever calculated how much time and money is spent in setting up and administering your Company's charitable giving programme? It could be costing you a lot more than you think. The Charities Aid Foundation will do it all for you at virtually no cost, leaving you in full control of how much you give, when you give, and to whom you give it.

CHARITIES AID FOUNDATION... 48 Pembury Road, Tonbridge Kent TN9 2JL. THE FACILITIES OF THE CHARITIES AID FOUNDATION - a guide to methods of giving to charity. TRUST FACILITIES - to help those who wish to give capital to charity. GIVING TO CHARITY FROM INCOME - a guide for individual donors. THE BUSINESS SIDE OF GIVING TO CHARITY - a guide for Company Directors. CHARITY CREDITS - an explanatory leaflet. DEEDS OF COVENANT - their preparation and administration.



# LABOUR NEWS

## Big unions to back Scots TUC call for pay limits

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MAJOR UNIONS are likely to come to the rescue of the Scottish TUC at a conference by voting against a hardline demand for an end to pay controls.

The conference will vote tomorrow on a resolution proposed by the National Union of Mineworkers rejecting interference from any source in free collective bargaining.

The resolution will have the backing of the General Council of the Scottish TUC, which decided on the casting vote of Mr. Hugh Arey, the chairman, to recommend its support.

But although they cast only some smaller unions, the NUM will not have the backing of major groups such as the General and Municipal Workers, the National Union of Railwaymen and the Electrical and Plumbing Trades Union. They will cast their block votes against the resolution.

The conference is being attended by general secretaries of many of the most powerful unions. They are anxious that no decision which could damage the chances of a new pay deal should be taken before their views at their annual conferences.

Another appeal for wage restraint was made yesterday by Mrs. Helen Liddell, Scottish secretary of the Labour Party, who said that although the social contract often looked one-sided, now was not the time to turn tail and run.

"It has never been a very good negotiating technique to throw out a deal before you know who's in it, and the way some trade union leaders are talking right now, I get the impression that they don't have much confidence in their own negotiating ability with the Government."

"If there is a wage explosion in the autumn then economic collapse is inevitable. Employers will have a convenient cover for putting more people out of work on the grounds that to survive they must produce more with less people."

But Mr. D'Arcy, of the builders union UCATT, decried that wages were the cause of our economic problems and called for strict control of prices.

"Let us have no more sob stories that big business cannot afford a price freeze. The record profits they are making indicate the need for the imposition of really effective price control machinery. What is more important, working people cannot afford further price increases."

## Bank union warns on pay restraint

BY NICK GARNETT, LABOUR STAFF

THE National Union of Bank Employees warned yesterday that it would support a new phase of wage restraint only if it allowed pay rises that matched inflation over the next year.

Union delegates said at their annual conference that they would want productivity payments if these were given to manufacturing industry and would be unlikely to back any Phase Three unless firm steps were taken to restore wage differentials.

They carried a resolution instructing the executive committee and calling upon the union's membership to resist strongly any attempt to reduce the present living standard of NUBE members.

The executive was also instructed to push for the restoration of differentials. Failing a satisfactory outcome on pay, NUBE "must support a return to free collective bargaining."

### Strong attack

Hand-in-hand with the decision went a strong attack from NUBE leaders on kitty bargaining as a "dangerous" and "divisive" concept.

"Trade unions will be diverted from the task of fighting for better pay and conditions, and instead will have to deal with internal fighting over who gets the bigger share of an inadequate cake," said Mr. Tony Morgan, president of the union, which claims 112,000 members.

"We, in common with other unions, will be torn by internal strife, and the whole movement will be weakened."

Mr. John Martin, the union's vice-president, said it was essential that any new stage of wage restraint should be flexible enough to allow an orderly return to free collective bargaining.

The union's executive will be looking for pay increases of at least 16 per cent as well as exemption from wage restrictions of rises in London and large town cost-of-living allowances. It also wanted a fairly firm clampdown on prices.

In other spheres on pay and conditions, the conference expressed concern at what was called a "severe deterioration" in promotional prospects, particularly for management staff over the past few years. It also wanted faster action on drawing up proposals for profit-sharing in banks which do not have it.

## Oil groups in helicopter talks

THE CHAIRMAN of strike-bound Bristow Helicopters met representatives of oil exploration and production companies in Aberdeen yesterday as the strike by 60 North Sea helicopter pilots hardened.

The companies—including BP, Hamilton Brothers, Amoco, Mobil, Transworld—are known to be urging a settlement of the four-day-old dispute which has drastically cut flights taking men and materials to their North Sea installations.

Sympathetic action by Transport and General Workers' Union drivers has already cut off supplies of fuel to the Bristow's base at Dyce Airport.

After a meeting earlier between striking pilots and company chairman Alan Bristow, the men—members of the British Airline Pilot's Association—voted to continue the strike.

Mr. Bill Banning, BALPA's industrial relations officer in Aberdeen, claimed that another meeting between the chairman and non-striking pilots had led to three new recruits for the pilot's organisation.

Hand-in-hand with the decision went a strong attack from NUBE leaders on kitty bargaining as a "dangerous" and "divisive" concept.

## TASS call for free bargaining

By Our Labour Staff

THE union movement should work to restore free collective bargaining at once, Mr. Pat Lyons, president of the Technical, Administrative and Supervisory Section of the Amalgamated Union of Engineering Workers, said on the opening day of the TASS conference in Bournemouth yesterday.

The social contract was logically at an end because the Government had failed to deliver its side of the contract, TASS which has 180,000 members, has opposed incomes policies over the past two years.

The social contract had made working people "a damn sight worse off," Mr. Lyons added. Unemployment had increased, investment was still inadequate, inflation continued, and the average worker had sacrificed £10 a week under the contract.

## Steel strike leader calls for inquiry into dispute

BY OUR LABOUR STAFF

A CALL for an inquiry into the dispute which has shut down the British Steel Corporation's Port Talbot steelworks in South Wales was made yesterday by Mr. Wyn Bevan, leader of 560 electricians on unofficial strike.

He said the electricians would welcome the intervention of the TUC steel industry committee, the Government or the Electrical and Plumbing Trades Union, to get an inquiry into the dispute. However, there would not be a vote on returning to work until there was a firm offer from the corporation.

Mr. Bernard Clark, an area official of the union, will meet the shop stewards' committee of the Port Talbot electricians on Friday to discuss ways of ending the dispute. He said yesterday he would be willing to talk about a committee of inquiry.

The electricians' unofficial strike over pay differentials has forced the corporation to shut the Port Talbot works, losing 45,000 tons of steel a week with nearly 8,000 workers laid

off. At the week-end, Mr. Bevan intends to move a resolution against the social contract at the Wales TUC conference in Tenby.

Yesterday he rejected the TUC steel industry committee's appeal for a return to work. The TUC had given a warning that the strike was threatening jobs at Ebbw Vale, Hartlepool and Scotland as well as jeopardising the corporation's future.

## Police disperse pickets

By Our Own Correspondent

POLICE WERE yesterday called to the strike-hit domestic appliance factory of Sunbeam in Glasgow, to disperse a blockade by pickets aimed at keeping out management.

After a warning that the pickets could be charged with trespass, they dispersed and allowed the managers of the U.S.-owned plant to enter.



TGWU workers from London Airport endorse a call for strike action if any of their colleagues are laid off during the Heathrow dispute.

## HEATHROW AIRPORT DISPUTE

### Why peace moves are failing to get off the ground

BY DAVID CHURCHILL, LABOUR STAFF

THE TORTUOUS and confusing developments in the 17-day-old British Airways dispute are a classic illustration of an industrial dispute gone wrong.

What started as a relatively minor dispute, albeit with deep-seated grievances as the cause, has grown to such an extent that the State-owned airline has lost £30m. in revenue.

But with both sides apparently unable to agree to a negotiating position for more than a few hours at a time, it comes as no surprise that almost daily peace initiatives are allowed to founder.

On Friday morning, for example, the peace formula agreed only the night before was overwhelmingly rejected by the strikers because management had introduced a new element in seeking talks on the pattern, as well as on the rate, for shift work.

Yet over the week-end British Airways quietly dropped this demand. By then the dispute had moved on to a squabble over talks about the introduction of a shift pay formula acceptable to the strikers, management, and the other 15 unions at Heathrow airport.

### Heavy-handed

The heavy-handed industrial relations style of British Airways has not helped, and the chances of a quick settlement to the dispute have always appeared slim.

The 4,000 Heathrow maintenance engineers, skilled engine fitters earning between £78.50-£83.50 a week depending on which shift they work, have been at loggerheads with both the AUEW and British Airways for the past three years.

The engineers' demands for more say in pay negotiations, to ensure that their skilled status is adequately rewarded, was endorsed by the AUEW's national committee in 1974, but since then there has been little effective progress.

This has been due not only to other unions' suspicion of any changes in the complex negotiating machinery but also, to a certain extent, due to the reluctance of some hierarchy-conscious national officials to go against the union's ingrained principle that pay negotiations should be conducted by full-time union officers and not lay members.

British Airways' negotiating machinery is based on a pyramid structure, with a National Joint Council at its head with representatives from the 15 unions in the industry.

### Withdraw

Below this there are a dozen national sectional panels—and the 11,500-member engineering and maintenance panel, to which the strikers belong, is one of the largest. These panels, initially staffed by full-time union officials, are primarily responsible for negotiating pay and conditions.

Under these panels are local panels—mainly staffed by shop stewards—in sort out minor internal problems. It is from these local panels that the AUEW engineers last year withdrew in protest at the failure of both the union and management to produce a more effective forum for them. A special wages sub-committee of the engineering and maintenance panel was created to include shop stewards and the account of the engineers' grievances, but this has not yet met because of the engineers' insistence that it be made a more influential body.

When the engineers decided to start their industrial action at the beginning of this month—by refusing night shifts and overtime working—it was over the more immediate claim for improved shift pay rather than for changes in the negotiating machinery. They claimed they were being paid about a third less than other engineers in the West London area.

Yet within three days airline management took the first of

three crucial decisions which, the strikers believe, have been instrumental in prolonging the dispute. This was to issue dismissal notices to those engineers who were refusing to work night shifts.

The second management action—again taken while the dispute had not yet become a strike—was to secure agreement with other unions to service aircraft to keep them going.

This so-called "black-leg" charter further alienated the engineers who promptly went on full strike, taking with them the day-shift engineers who had been working normally.

The third error of judgment by management, claim the strikers, was over the week-end when senior management alleged extreme Left-wing agitators were unnecessarily prolonging the strike. While it is undoubtedly true that there are Trotskyists and other Left-wingers among the strikers—as there are among virtually every industrial group in the country—management were unable to back up their allegations with proof.

The engineers' own handling of the strike has been in sharp contrast to the recent British Leyland toolmakers' strike in which the toolmakers presented a tightly organised and disciplined case for their own bargaining rights.

### Strategy

In comparison, the Heathrow strikers have failed to agree among themselves just what their strategy should be, making it even more difficult to negotiate a settlement.

In this respect, the unexpected intervention of the Advisory, Conciliation and Arbitration Service last Friday may be a mixed blessing. It could give the strikers another negotiating avenue to pursue further delaying settlement.

But it is today's talks at ACAS that now hold out the likeliest chance of — yet another — peace formula and of a return to work this week.



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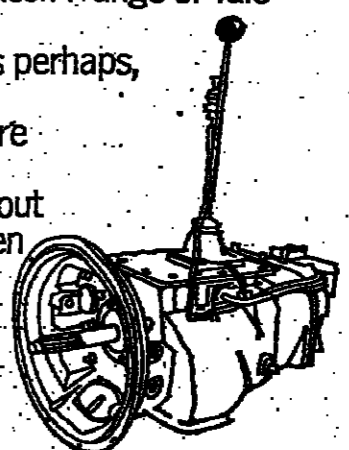
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# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

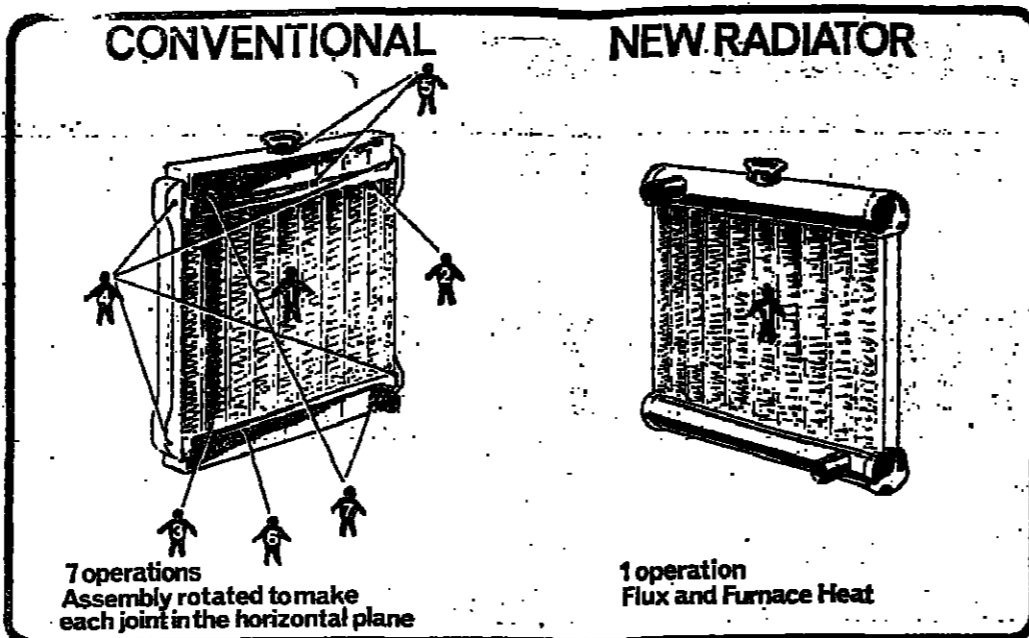
## TRANSPORT

### Simple radiator is a cost-saver

THREE YEARS' development work sponsored by the International Copper Research Association at Marston Radiators has brought a new design of radiator now being launched on world markets.

The outcome is a lightweight high-performance unit which the developers claim can be produced at significantly lower cost. It is based on a welded D-section cylindrical tank which replaces the header plates and deep-drawn tanks of a conventional radiator while still allowing the incorporation of high-performance cores of tested design.

As the D-section tank is pre-assembly soldered, the radiator can be assembled as a unit and soldered in a single baking operation. There is no need for



subsequent flux washing. The INARA-backed approach to manufacture will provide great economy over current multi-stage assembly and soldering operations.

Applicable to both down-flow and cross-flow designs, the unit has the benefit of lower capital plant and tooling costs while direct cost reductions include savings on the tank component assembly of around 80 per cent, solder weight, 50 per cent, brass blank weight and 35 per cent, labour cost, to which should be added indirects such as lower fuel, flux and water consumption in process.

Prototype units have shown in testing to be stronger than conventional radiators, with high corrosion resistance, easy repair in the field and stability in high pressure operation.

The original project was initiated to exploit the advantages of using a non-corrosive residual flux employed in a fully

## POLLUTION

### Emergency service

CONSIGNMENTS that might present a hazard during transit should carry prominently displayed an information panel which includes an emergency telephone number — unfortunately smaller companies are not always able to provide a continuous 24-hour information service to help the police or fire service in dealing with an incident.

At the Harwell Research Laboratory a Chemical Emergency Centre is operating to provide information for the fire and police services. The Centre has launched a scheme under which it will maintain, on behalf of companies consigning chemicals, a continuously manned telephone service which will provide advice in the event of an incident. Participants may display the Harwell emergency number so that the fire and police services can contact the Centre, rather than the company concerned.

In appropriate circumstances where on-the-spot advice is needed a member of the Harwell team may represent the company. Any company participating in the scheme will be required to provide Harwell with details of its products in a prescribed form. This service does not, of course,

## CIVIL ENGINEERING

### High pressure air

LESS THAN half the size of a conventional compressor with similar output, the first of a range of a new design of high pressure air compressors is being launched by the Compair Group in Europe later this month.

Reveal VHP36, to achieve this, incorporates advances in design and engineering, and has applications in industry, dockyards and airports.

With a four stage 90 deg. Vee layout, the compressor develops a pressure of 4,500 psi and has a free air output up to 71 cubic ft./min. It is powered by a flange-coupled 46 kW, 1500 rpm, synchronous motor, which simplifies drive alignment.

A three point anti-vibration mounting allows the set to be positioned on any normal floor outside of carrying its weight (3,300 lb). This is a major achievement, since the traditional type of high pressure compressor usually requires special and expensive installation and foundations because of high vibration levels — one with this output, for example, would need about six tons of concrete as a base.

For maximum life and minimum maintenance, the machine is water cooled, and water jacketing of cylinder and

## MACHINE TOOLS

### Works sheet metal and plastic

A MEDIUM duty machine for shearing and other work on sheet metal and plastic has been introduced by Trumpf. It has a throat depth of 105mm, and will accept sheet metal up to 5mm thick for shearing and 4mm for slitting and nibbling.

A quick tool-change facility enables the machine to be used for heading, folding, and peening. A three-phase motor powers the machine, and provides speeds

## Successful launch

THE KTM 400 CNC machining centre unveiled by Kearney and Trecker Marwin at March 78 has proved a success — some 28 machines, worth over £2.5m, have been ordered, more than 50 per cent for export, particularly in Scandinavia and West Germany.

The first two machines for U.K. customers have been installed, and a further 16 are under construction.

The machine seems to have been successful across a wide range of industry, from a small hydraulic company (less than 30 staff) to an automobile manufacturer producing groups of components in high volume. The maker says this substantiates the original claim that the 400 mm cube capacity of the machine takes in 90 per cent of current NC machining centre work.

Details from Kearney and Trecker Marwin, Crowhurst Road, Hollingbury, Brighton BN1 8AU (0273 507255).

## WELDING

### Precise tracking along a joint

ESAB, which ranks as the major innovator in welding techniques, has come up with a new idea which will make for far greater precision in welding operations than possible hitherto and be applicable to virtually every type of operation, including those which are under robot control.

Patented, the method uses the welding arc itself as a sensor, relying on the field set up around the arc to detect immediately variations in arc length from the pre-set value. The signals are fed back to a microprocessor controller which then analyses the differences and transfers correcting signals to horizontal/vertical slides via a servo-control unit which will move the head in the right direction.

It is thus brought back horizontally or vertically to the optimum position for the job in progress.

More from the company at S-0270, Gothenburg, Sweden.

## CHEAPER TO RUN

HIGH electrical efficiency and power factor built into the R300 arc welding rectifier from Aga Welding can result in real savings of power consumption claims the company.

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## COMPONENTS

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BOTH GEC and Dupont have introduced electric motors and is offered with an approved separately mounted capacitor; a three-phase design will follow.

The Dupont machine is from France — Moteurs Leroy-Somer of Angoulême — and is called the Lucifer 800. It is capable of operating in temperatures exceeding 400 degrees C and is intended for mounting inside ventilation shafts or ducts to provide smoke removal in the event of fire in occupied buildings. Industrial process applications are also expected. Ratings of 0.18 to 7.5 kW are supplied.

More from Dupont London office 01-242 9044.

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## COMPUTING

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From the bank, a candidate given any vacancy, a merit is made of the particular abilities required successful performance of job. A battery of tests is selected to assess the candidate's relevant abilities, like those used for conventional testing of programming aptitude, are fully re-tested standard psychometric test which norms are available for populations of varying educational achievement. The number, up to twenty, can be dealt with at one, each session lasting up to 1 1/2 hours depending on the type of vacancy to be filled.

After examination of results, a written report is prepared for the employer, ranking them against each and pointing out any strengths and weaknesses of individual candidates. It should be emphasized that the tests are only part of a selection procedure and that employers undoubtedly wish to see interviews or use any methods which they had in mind. However, the tests do provide valuable additional information on which to base selection.

Details from the Centre, NCC, Manchester, 6th Floor, offices, or on an employment premises.  
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# FINANCIAL TIMES REPORT

Tuesday April 19 1977

## Scottish Banking and Finance

Devolution or not, Scotland's banking and financial community will continue to perform an important function within the framework of the U.K. as a whole. Meanwhile, the big London clearers have begun moves north of the Border.

EDINBURGH and Glasgow have long been banking centres of importance not only to Scotland but to the country as a whole. The three Scottish clearing banks have their head offices in these cities and the number of foreign and merchant banks with representatives is growing steadily. But until recently the big London clearers showed little inclination to move north.

Now that situation is changing and it is a development that has provoked considerable interest among the Scottish banking community. Although the dominance of the Royal Bank, the Bank of Scotland and the Clydesdale has been challenged for some time in the wholesale banking fields they have had the retail end of the market very much to themselves.

The first branch in that wall came with the arrival of the National Westminster in November, 1973. The bank now has branches offering a full range of personal services in Edinburgh and Glasgow and handles a large volume of corporate business through its international division and merchant banking subsidiary, County Bank, both of which have offices in Edinburgh.

There have also been suggestions that a third Scottish branch is being considered.

As far as NatWest is concerned the success of the move is beyond doubt. "I had met my targets for 1976 by the end of January," said Mr. Malcolm Fortune, manager of the Edinburgh branch. "Business has gone very well indeed and is continuing to do so."

The rationale of the NatWest move is easy to understand. As the only one of the big four banks without a stake in a Scottish bank it was losing business north of the border. Companies with established connections with the bank in England and Wales—such as the multiple stores—were taking their Scottish business elsewhere, so to a certain extent it was a question of writing back traditional customers rather than bringing in new ones.

But the announcements a few weeks ago by Lloyds and Barclays are more difficult to fathom. Lloyds said it would be opening a branch in Edinburgh and had already started work on premises in George Street, a short way from the NatWest branch. It would provide full banking services for personal and business customers and Mr. John Davis, deputy general manager, added: "We are not merely seeking to develop business in Edinburgh but also to assist existing customers who have operations in Scotland."

Barclays announced a more extensive move. Under the auspices of Barclays Bank International, which has had a representative office in Edinburgh for some years, the group is to open branches in Edinburgh, Glasgow and Aberdeen providing full banking services, although specialising in international and corporate business.

The moves were unexpected since until now Lloyds and Barclays have been content to

leave the field to their Scottish associates. Lloyds is linked to the Royal Bank through a 16 per cent. holding in the National and Commercial Banking Group and Barclays has a 35 per cent. holding in the Bank of Scotland.

The reasons given by the two groups include a desire to make the most of national advertising by trading under their own

as the 100 per cent. owner of the Clydesdale Bank it would have the least of all reasons for following suit.

Scottish bankers are not of course noted for open displays of emotion, but they have let it be known that they are not overjoyed to see their London cousins muscling in. "We think," said Mr. John Wilson, joint general manager of the

Bank of Scotland's international division. Although they are reluctant to spell it out, the fear of the Scottish banks is that the new arrivals will take business from the most promising fields without having to bother about the other hand the value of currency deposits had risen by 58 per cent. from £140m. to £223m. service. For their part the

cent. increase in operating profit of the Royal Bank Group (taking it to £31m.) had come from. Average sterling deposits over the year had remained virtually unchanged at just over £1bn. and advances had fallen slightly from £786m. to £783m. On the other hand the value of currency deposits had risen by 58 per cent. from £140m. to £223m. and currency advances rose by

from £17m. to £36m.—the clearing bank contributing two-thirds of this increase. Group operating profits increased by 29 per cent. from £21m. to £27m. and the higher rise in total profit was due to a halving of the additional pension provision from £2m. to £1m. and the bank's decision not to make any additional bad debt provision for the coming year. A provision of £2m. had been made in 1976.

Again much of the improvement was due to an increased involvement in currency business, which has been a feature of Scottish banking over the past few years. Sterling business also grew, but at a lower rate.

Interestingly, the Bank of Scotland also published its profits figures for five years and deflated them to take account of the rise in the retail price index. The "real" profits show a considerable recovery this year after two poor years in 1975 and 1976 when demand was low and inflation running high. Despite record money profits this year, however, "real" profits have still not equalled the 1974 figure.

Money profits over the five years from 1972 were: £10.8m., £13.8m., £19.6m., £17.3m. and £28.8m. "Real" figures were £10.8m., £12.9m., £16.7m., £10.1m., £10.2m. and £13.5m.

The year to come, however, looks less certain. Interest rates have already fallen from their peak, squeezing margins, and despite the beneficial effect this is likely to have on demand for lending and on the rate of

inflation, the greater volume of advances may not be enough to make up the resulting difference in profits. Lending will anyway be restrained by the "corset" restrictions now in force.

This check on lending is causing some concern, since there are encouraging signs that industrial demand in Scotland could pick up later in the year. "There is no question that if there is any difficulty industrial and export customers will get absolute priority," said Mr. Wilson, "but one would hope that if there is an upturn the supplementary deposits scheme would be relaxed. I think the Bank of England realises how people feel."

### City names move north

By Ray Perman, Scottish Correspondent

Bank of Scotland, "that we can do anything that Barclays International can do for the corporate customer."

There is also some apprehension at the continuing build up of foreign banks. There are now six U.S. banks with offices in Scotland (the latest arrivals being Manufacturers Hanover Trust and Citibank), one Canadian and two French. Another European and a Far-Eastern bank are also planning to move in.

"Shortly we shall have 20 banks operating out of Edinburgh, but there is only one pie in Scotland for us all to get into," said Mr. Archie Gibson, assistant general manager in

foreign banks feel they are bringing healthy competition which will do Scottish banking nothing but good in the long run.

Whatever the long-term effects, the Scottish banks finished last year in good shape to take on the competition. Higher margins and a substantial increase in currency business meant that all three of the Scottish clearers had large increases in profits despite disappointing demand, particularly from industry.

In his annual statement Sir Blair-Cunynghame, chairman of the National and Commercial group, made it clear where much of the 46 per cent

53 per cent. from £139m. to £212m.

The Clydesdale did slightly less well, reporting a pre-tax profit 23 per cent. up from £8.7m. in 1975 to £10.8m. Net profit showed a 14 per cent. rise, slightly less than the rate of inflation. Chairman Sir Robert Fairbairn said in his statement that deposits were £713m. compared to £635m. in the previous year, and advances were also up, by £92m. to £301m.—but these were year-end figures, and not averages and so cannot be directly compared to the Royal Bank figures.

The Bank of Scotland also made it a good year, with pre-tax profit rising by 33 per cent.

Confident

The Royal Bank's economist, Mr. Grant Baird, is also reasonably confident of an upturn. "One would expect a revival of industrial demand for advances later this year. All the forecasts say there will be an upturn, although I cannot believe some of the more optimistic forecasts that there will be a 10 per cent. growth rate year on year by the end of the year."

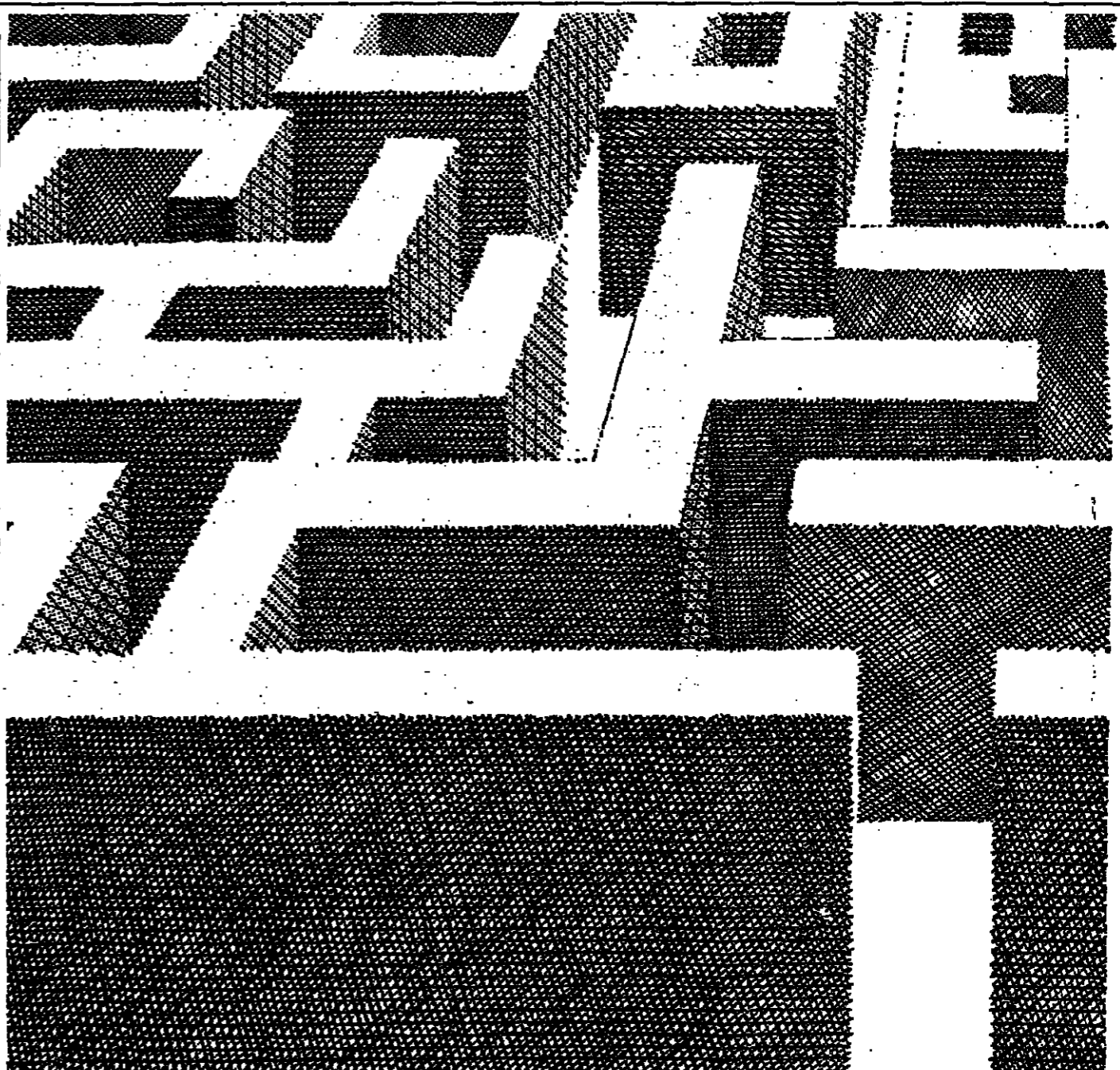
The hiatus in ordering for the North Sea oil industry looks like coming to an end and by the latter part of the year new business should be percolating through to the traditional Scottish industries like engineering. But there are still too many variables about the economic future for Scottish bankers to be wholly confident about the year to come.



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SCOTTISH BANKING AND FINANCE III

# Traditional role in trust funds

THE INVESTMENT trust slice of the asset management market in which Scotland has a sizeable stake has been in what the fund managers hope will be only a temporary eclipse since the collapse of the equity market in 1974. Scotland's stake in another segment of this market, the unit trusts, has shrunk considerably since Edinburgh fund managers Ivory and Sims lost the joint management of the big Save and Prosper Trust.

While this may be so, it has to be kept in proportion. According to a recent estimate by stockbrokers Wood, Mackenzie, investment and unit trusts combined manage less than 16 per cent of U.K. funds, with insurance companies, building societies and pension funds claiming the lion's share. (The share of investment trusts declined from 14.2 per cent in 1970 to 11 per cent in 1975 while that of unit trusts increased slightly, from 4.4 per cent to nearly 4.9 per cent.) As Scotland houses one of the top "composite" insurance concerns (General Accident) as well as several major life companies, funds managed by these substantially outweigh those of investment and unit trusts.

## Revive

Investment trusts recently attempted to revive interest through their Association, claiming that at an average discount of 35 per cent, they were greatly undervalued compared with unit trusts at a premium of 8 per cent. The situation was described as "not rational" by the Association's chairman, Mr. D. A. Hunter Johnston, who cited a survey carried out on the Association's behalf by Wood, Mackenzie which seemed to indicate that investment trusts had "outperformed" both unit trusts and ordinary shares over periods ranging from six months to 10½ years. The survey also shows that Scottish trusts were among the best—but also the worst—performers over the periods. For example, Scottish United

	Total assets less current liabilities (£m.)	Net asset value nominal (p)	Net asset value market (p)	Annual dividend	Investment currency premium
Alliance Trust	129.8	232.6	249.3	5.35	39.4
Edinburgh Investment Trust	76.8	230.6	249.4	4.95	31.9
Scottish Investment Trust	101.9	113.4	117.9	2.05	21.2
Scottish United Investment	95.0	106.0	112.2	1.55	23.6
Scottish Mortgage and Trust	112.0	138.7	141.5	2.40	22.2
Edinburgh and Dundee Investment	86.7	173.0	177.5	2.80	28.9
Monks Investment Trust	54.9	61.8	63.1	1.15	9.6
American Trust	69.1	47.5	50.1	1.00*	4.6
Scottish National Trust	69.7	168.4	173.6	3.05	27.6
British Assets	91.4	73.9	78.7	1.60	11.6
Scottish Eastern	85.7	147.6	155.1	3.00	27.1
Clydesdale	69.9	84.7	88.1	1.45*	16.1
Scottish Western	67.0	109.6	111.4	1.80*	19.8

\* Applies to Ordinary/"A" Ordinary shares only.

Investors was the top price performer over 101 and 51 years during the period ended September 30, 1976, and among the best over the shorter periods too. Similarly it topped the list of net asset value increases over the two longer periods and again was among the best for the shorter ones.

Altogether Scotland has around 60 quoted investment trusts. The accompanying table shows those whose total assets less current liabilities exceeded £50m. on December 31, 1976. One Scottish trust not included in the above list because of its lower capital value is the Ivory and Sims-managed Atlantic Assets which is untypical in the sense of its portfolio being dominated by large holdings in selected companies.

Whether the policy of being among the high flyers one year and among the low plungers in the next is justified is open to argument, as the chairman of Atlantic, Mr. John V. Sheffield, has emphasised, high performance cannot be achieved without risk. The trust's larger investments bear this out.

Apart from the highly profitable Save and Prosper stake, the trust has been involved in the Stock Exchange launching (in December 1972), rise and subsequent demise of the merchant bank Edward Bates. Its holding valued at £4.65m. in 1974 and at £1.6m. in 1975 had to be written down to a nominal £1 in 1976. Another doubtful in-

vestment was in Haw Par; more than half the shares bought for £4.2m. in 1974 were sold for £1.8m. during 1976, the remainder being valued at only £1.2m.

The upshot of all these major structural changes in the portfolio was a substantial increase in the trust's assets but also a loss in the second half of last year. (This, warned Mr. Sheffield, should not be taken as a guide to the final results for 1976-77).

## Detail

If Atlantic Assets has been dealt with in some detail here it is also fair to point out that, according to a survey of Scottish investment trusts compiled by Wood, Mackenzie, Atlantic recorded a 23.5 per cent increase in net asset value over the five-year period ended December 31, 1976. It was only bettered by Scottish United Investors (54 per cent) and was followed by Glenmurray (20.7 per cent), Glasgow Stockholders and Scottish Ontario (15 per cent).

Scottish investment trusts have been traditionally more transatlantically minded than their southern colleagues. The collapse of the U.K. equity market in 1974 has further increased this tendency, although some (including Scottish United) were not slow in restoring the U.K. share within their portfolios following the partial recovery of the market in 1975.

Others, experimenting in low interest countries with stable currencies (especially Switzerland and Germany), trying to offset the downward plunge of sterling by borrowing in those countries, tended to lose out.

While interest in Europe has obviously increased since Britain joined the European Community, Scottish trusts have on the whole retained confidence in U.S. equity, though more recently the Far East (especially Japan) has increasingly become an outlet for funds. It is also true to say that in spite of re-adjusting the U.K. share of their portfolios, most fund managers remain sceptical about the prospects of the U.K. economy, including the chances of considerably lowering the inflation rate.

Scottish Eastern is fairly typical of many Scottish trusts when its chairman, Mr. Logan McClure, predicted earlier this month that, "while it is unlikely that business profits will increase as much as in 1976, there are good prospects for higher dividend payments, particularly from our U.S. holdings." Scottish Eastern's equity holding in the U.S. is nearly 40 per cent of the total portfolio. So the 50 to 55 per cent involvement in foreign stock is likely to stay (in the rest of the U.K. the proportion is estimated to be around 45 per cent.). North Sea oil and balance-of-payments surplus prospects notwithstanding.

Andrew Hargrave

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# Merchant banking on two levels

MERCHANT BANKING exists at two levels in Scotland. They often intertwine and overlap but are nevertheless a distinct feature of the Scottish financial scene.

At one level one finds the Scottish branches or representative offices of the big U.K. merchant banks—Hill Samuel, Morgan Grenfell, Grindlays, the Chartered Bank, Henry Wiggin, Anglo-Siam and Friedlander—as well as those of foreign banks (U.S., Canadian, French) and of the only London clearing without a stake in a Scottish bank, National Westminster's subsidiary, the County Bank.

Scottish Industrial Finance, the Scottish merchant banking arm of IFCF, also fits into this category, although unlike the others it is a source of long-term finance and its loans tend to be smaller than those of the large private merchant banks which concentrate on medium-term lending.

At the other level operate the "native" Scottish-owned and controlled banks, much smaller in size on the whole than their counterparts, highly liquid, with a preference for the corporate finance and investment management sides of merchant banking. They include Noble Grossart (whose main activity is corporate finance), the James Finlay Corporation, merchant banking subsidiary of the industrial and trading company James Finlay and Co., and McNeill Pearson, part of the small holding company Dalscot. The Bank of Commerce, which was caught up in the secondary bank collapse in 1974, was taken over late in that year by Grindlays. Recently re-named Grindlays Bank Scotland it functions as a local branch.

Merchant banks running into billions of pounds on the other. It is a wholly-owned subsidiary of the Bank of Scotland but claims a fair degree of autonomy. Its conversion into British Linen Bank, a Scottish clearer and wholly owned Barclays Bank subsidiary until 1971 when it was taken over by the Bank of Scotland, is designed to symbolise not only what Mr. Bruce Patullo, the general manager, calls a "separate identity" but purpose. (British Linen started in 1746 as a source of finance to the then powerful linen trade, expanded into a company supplying industrial finance of all kinds before officially becoming a bank in 1906.) In the year ended February 28, 1977, the merchant bank contributed nearly £500,000 to the Bank of Scotland's profits.

Bank of Scotland Finance is a big lender (in the Scottish context) in the medium term, with about £60m. outstanding for commercial customers alone.

Noble Grossart's main strength is, as already indicated, corporate finance, including the management of a major offshore finance company (North Sea Assets), two oil exploration companies (Pict Petroleum and Caber Oil) and an industrial finance subsidiary (Noble Grossart Investments). The bank was marginally caught up in the recent furore over Sir Hugh Fraser's share deal as Sir Hugh was a major (16 per cent.) shareholder in Noble Grossart and Mr. Angus Grossart, the bank's chief executive, was on the Board of Sir Hugh's holding company, SUITS.

In the event, Mr. Grossart resigned from SUITS and Sir Hugh's shares were bought up by some of the bank's institutional shareholders, a couple of which are major life companies and an investment trust, both Scottish) and Noble Grossart directors who had equity stake so far.

Noble Grossart, founded in 1968, has had a good profit record, profits growing at a rate of 20 per cent in recent years, to £885,432 for the year ending January 31, 1977. Deposits have reached £17.8m. within a balance sheet total of £22.3m. and shareholders' funds exceed £3.6m. Of the bank's managed funds, Pict Petroleum is a member of a consortium which struck a potentially viable North Sea field; but the much larger North Sea Assets, which has equity in and provides loans to offshore suppliers, is, according to an executive, Mr. Ewen Brown, a more long-term proposition, though the first fruits of expanding North Sea activity may be reaped next winter.

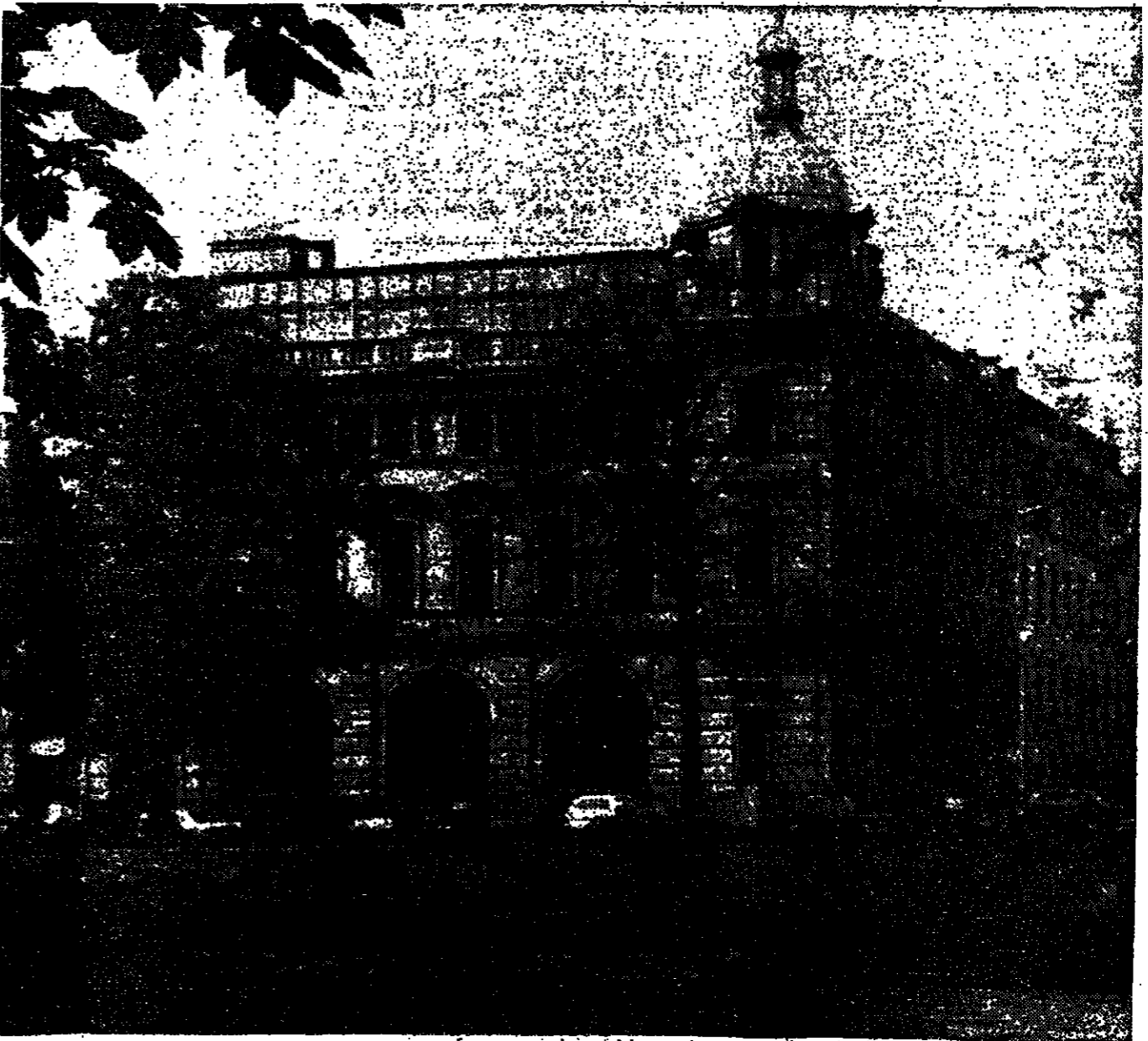
James Finlay, too, manages an offshore supply company (Scottish Offshores); its total investments of £730,000 compares with NSA's £23m. It is, however, of much more recent origin and (according to Mr. R. F. Monk, managing director) already profitable. The bank is Scotland's newest (it was established in its own right only in November, 1973) and the deposits of the holding company, represented in 1975, nearly 40 per cent of the bank's total of £12.6m. However, says Mr. Monk, the 1976 accounts will show a considerable drop in the parent's deposit which is compensated by those of outsiders.

James Finlay expects a modest, about 10 per cent, rise in the 1975 profits of £402,000, edging closer to the aim (as expressed by Mr. Monk) of a one-third split between loan interests, corporate finance and investment management earnings.

Corporate finance is a major source of profits for Noble Grossart which claims over 30 quoted and "unquoted" clients. No names are mentioned but they are believed to include some from the Middle East one of which, the Kuwait Investment Company, was advised by Noble Grossart in the acquisition of St. Martins Property in October, 1974, for £107m.

McNeill Pearson is by far the smallest of the "native" Scottish merchant banks, with 80 per cent of its equity in the hands of the holding company Dalscot (itself owned by Scottish institutions) and the rest owned by the two directors Mr. Ronald McNeill and Mr. John Pearson. Dalscot was originally Scottish branch of the Dalton Barton Bank (which later merged with Keyser Ullmann) and was re-constituted by institutions in 1973. McNeill Pearson is a small lender even relative to its size and regards corporate finance and investment management as its main-line business. Last year's £2.3m. merger of two Scottish industrial holding companies, Downiebrae and E. Chalmers, arranged by the bank, is regarded by Mr. McNeill as proof of the bank's ability to handle mergers of some size.

A.H.



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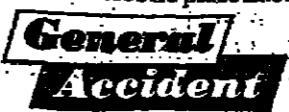
"Shouldn't you be in the City of London?" they say. Well, we've an extensive organisation there, of course; and another 200 or so offices dotted around the British Isles. Branches, subsidiaries or agencies in the USA, Canada, Australia, the continent of Europe, Africa, the West Indies, Malta, Sarawak and Singapore. And we're pretty big in Brazil and Iran and...

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HOME NEWS

Forecast of 3m. unemployed as oil boom wanes

BY PETER RIDDELL, ECONOMICS CORRESPONDENT.

UNEMPLOYMENT in Britain could total 2.3m. in 1981, and 3m. in 1985, according to Mr. Wynne Godley, the Cambridge economist. This warning about the results of holding the nominal value of starting... the next two years while wage costs rise at a faster rate in the U.K. than abroad is contained in the April edition of stock-brokers Vickers de Costa's review, The British Economy.

Building society funds rise sharply

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

FUNDS ARE beginning to flow back into building societies and there are growing hopes that last year's record lending programme will be repeated this year. Confidence that the recent very low level of net receipts would soon begin to show a substantial improvement led to last week's decision to cut back investors' and borrowers' rates.

Interest rates will fall further, providing interest rates generally stay low. The societies' operating margins look particularly healthy and these are set to improve further if the basic rate of income tax — which affects the tax bill which they pay on behalf of their investors — is also reduced.

Bakers seek rises of 1p for small loaf, 1/2p for large

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

BREAD is likely to go up another price of 1p a loaf and a penny a small loaf next month as given the go-ahead to its price by the Price Commission. The increase, which will be notified to the trade by Bakeries — are believed to have submitted applications to the commission based on the higher cost of flour.

Textile trade sales rise in most sectors

THE WHOLESALE textile trade has shown an increase in the value of sales in most sectors of the business in the first two months of the year compared with January and February last year. According to Mr. John Hussey, director of the Textile Distributors Association, the trade is still facing an uncertain market with retailers unwilling to commit themselves to much forward ordering.

Sterling export controls attacked

FINANCIAL TIMES REPORTER

GOVERNMENT controls over the export of sterling were being attacked by British business overseas. Mr. Joseph Godber, chairman of Tricentrol, said yesterday. The former Conservative Minister said that the 1947 Exchange Control Act, which had been supported by Chancellors of the Exchequer from both parties, had failed in its main purpose. It was a myth that growth in investment overseas had weakened the economy, he claimed. The reverse was the case.

Computer in fight against site thefts

FINANCIAL TIMES REPORTER

THE CONSTRUCTION industry has enlisted the help of a police computer to combat the theft of plant from building sites. The Construction Security Advisory Service, part of the National Federation of Building Trades Employers, has arranged with the police for details of stolen equipment to be included on the force's national computer in London.

Business jet gets go-ahead

By Michael Donne, Aerospace Correspondent

THE LATEST VERSION of the Hawker Siddeley HS-125 executive jet, the Series 700, has been awarded its certificate of airworthiness by the Airworthiness Requirements Board, clearing the way for deliveries to customers. Sales of the Series 700 stand at 14. The first deliveries will be made in July.



Air Canada will introduce its Lockheed TriStar airliners with Rolls-Royce RB-211 engines on its transatlantic services between Europe and Canada on Sunday. The routes to be served by TriStars include Prestwick-Toronto, Prestwick-Winnipeg, Zurich-Montreal-Toronto, London-Winnipeg and London-Montreal-Toronto. The airline, which has used TriStars on several Canadian routes since 1973, has modified three of its fleet of 12 at a cost of \$1.6m. for each aircraft, to improve the TriStar's range by 1,035 miles to 4,200 miles. Each TriStar will seat 255 passengers—30 in first-class and 225 in economy. With the introduction of the TriStars, all Air Canada's transatlantic flights will be by wide-bodied equipment, the Boeing 747 Jumbos flying those not performed by the TriStar.

Glenlivet '76

Distillers, blenders and bottlers of Scotch Whisky. Exporters of The Glenlivet, Glen Grant, Queen Anne, Somers Special and other Scotch Whiskies throughout the world. Iain Tennant, Chairman of The Glenlivet Distillers Limited, covered the following points in his review of the year to 31st December 1976.



World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on April 18, 1977. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Table with columns: Place and Local Unit, Value of £ Sterling, Place and Local Unit, Value of £ Sterling. Lists various countries and their exchange rates.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (K) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate; no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/C) exchange certificate rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Independent radio has best month

THE ADVERTISING boom helped the independent local radio network to a record revenue total for March of £1.8m, bringing the sum for 1977 to almost £4.5m, nearly double that for the same period last year. The Independent Television Companies Association said yesterday that the total net advertisement revenue of the commercial TV companies for the month was £28.8m—a further reflection of the considerable revenue boom the television companies are enjoying.

Career advice sought for young deaf

THE PLIGHT of deaf school-leavers is highlighted in a report yesterday from the National Deaf Children's Society, which says some children wait 6-12 months for jobs. Most tragic of all, the society says, is evidence of the low communication levels of deaf school-leavers in speech, reading and lip reading. Research by Dr. R. Conrad of Oxford University showed that the speech of 50 per cent of deaf school-leavers was very hard to understand or unintelligible. When children with a hearing loss greater than 85 decibels were considered separately their figure was 70 per cent. Their lip-reading levels were no better than normal children who had no training and their reading ages were often as low as eight to ten years or, in some cases, where the deafness was more profound, six to seven years. The report suggests more schools should encourage children in practical skills and to think of job opportunities before school-leaving age.

Trade Development Bank Holding S.A. Luxembourg

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Trade Development Bank Holding S.A. (TDB Holding) will be held at the registered office of the company, 34, Avenue de la Porte-Neuve, Luxembourg at 2.30 p.m. on 10th May, 1977 for the purpose of considering and voting on the following matters. 1. Approval of the report of the Board of Directors and of the Statutory Auditor for the period ended 31st December, 1976 and approval of TDB Holding's Balance Sheet as at 31st December, 1976 and Profit and Loss Account for the year ended 31st December, 1976.

Vertical advertisement on the right edge of the page, partially cut off, containing text like 'DIVERSIFICATION', 'beat', 'your', 'mess', 'Corby'.

Handwritten note: 'Joy 100 1250'.



السؤال هو الجواب

# The Management Page

EDITED BY JOHN H. BISHOP

BY ADRIAN HAMILTON

## PRODUCT DIVERSIFICATION

# Glass bead brainstorm to beat recession

BY IAN HARGREAVES

AT A time when managers in all sections of the road construction industry have been seeking ways of compensating for their main markets shrinking, one notable solution has been devised by Potters-Ballotini of Barnsley.

Potters-Ballotini is American owned and has 70 employees in the UK in two factories which produce crushed waste glass into mirror glass beads. Since the birth of the company early this century, these beads—some of them only one size—have had a variety of uses ranging from Christmas cards to the shoring of stone and metals.

But the most important usage has been in the road industry, where the beads are used to give a reflective sparkle to the white lines painted on roads. All British motorways have broad reflective lines, so in the motorway building boom of the 1960s, the company was able to expand almost effortlessly, especially as it has a monopoly in the UK glass bead business.

Common sense can cut the list by about half, but many days, and a multitude of more detailed marketing and production evaluations later, the company hopes to have a short-list of three or four sensible, practical possibilities.

Successful applications arrived at as a result of such idea-swapping have included the substitution of glass beads for silver as a core in certain polymer conductivity systems and the production of a remarkable new fluidised glass-bead bed for burns and bed-sore patients, which is now in use at a Newcastle hospital.

Unfortunately, the ingenuity of such applications does not add up to a substantial industrial outlet for the product, so it is within the road industry that the search for volume business has had to continue. Partly because of its U.S. connections, Potters-Ballotini was well aware that Britain lagged behind the U.S. and Germany in the extent to which the edges of roads, as opposed to the centres, are picked out in white. American research shows that edgelineing can offer substantial benefits in terms of road safety.

"There were those who thought that we could convince the local road authorities in Britain of the value of edgelineing simply by presenting these American findings," says Mr. Nick Nedas, marketing director of Potters-Ballotini.

"But I guessed that wouldn't be possible and it wasn't. They just didn't believe the figures."

Yet for a company with less than £1m, a year's turnover, independent and original research to produce reliable U.K. figures was out of the question. The answer Potters came up with was to re-activate a trade group, the Road Markings Industry Group, with which it had been involved for a number of years.

Through this four-company group, Potters had a link with two very large concerns—ICI and Berger, the paint manufacturer. These companies clearly had the resources for research, but lacked the will in application of a minimum of

of business. Spurred by Mr. Nedas, though, and the fourth company, Prismo Universal, a plastics manufacturer, the group agreed to finance an edgelineing experiment.

This involved edgelineing 15 miles of road in East Sussex for comparison of accidents with a similar, nearby stretch. Now over half-way through the test period, the results have been impressive enough to form the basis of a town-hall storming tour of Britain by Mr. Nedas and other members of the group and already a number of significant edgelineing contracts have been won.

## North-East development

Considering that glass beads comprise only one-tenth the cost of a white line, it might be wondered whether the effort was worthwhile. The answer to that is the recent opening of a new £250,000 Potters bead factory in the North East at a time when elsewhere in the road construction industry construction continues unabated.

## MANAGEMENT TRAINING

# Developing talents at Unigate

BY ELSBETH GANGUIN

SOME FIVE years ago Unigate set out on a great venture—the wholesale development of its management. As a result nearly 1,500 managers have now gone through a training programme at an average total cost of over £90,000 a year.

With almost 40,000 employees and an annual turnover of more than £700m, and with 7,000 milkmen calling daily on 3m homes, Unigate seems something of a gentle giant. "No matter how hard times become, people will want milk, eggs, cheese, butter, sausages and ham," says Sir James Barker, the Unigate chairman, adding that this fact has been reflected in continued, steady improvement in the company's profits.

But even companies with products as desirable as Unigate's must be well managed, and this presented a problem of some magnitude once Unigate had changed from a collection of individual small factories and depots into a divisionalised organisation.

"Unigate was formed in 1959 when United Dairies and Cow and Gate merged, and were then joined by Midland Counties Dairies—which together had almost 100 subsidiary companies. In 1972, Scot Bowyers were taken in, too.

For years the small creameries which found themselves

in the Unigate net were left to run their own businesses, much as they had always done. They retained their own management style and philosophy, which was generally autocratic. The subsequent divisional structure meant this had to be changed. Organizational charts appeared and responsibility levels were determined. Senior managers were obliged to delegate, and middle and junior managers, having been used merely to obey orders, were asked to accept responsibility, show initiative, and take decisions. At the same time there was a growth of trade union membership and employee activity.

## Leadership

What the managers then needed were skills to deal with people, to work in groups, and to handle information, which meant studying techniques in leadership, motivation, team building, employee development, setting objectives and the planning and controlling of work. To provide these skills for everybody on the managerial scale Unigate chose the Coverdale method of training.

The Coverdale approach to bridging the gap between formal knowledge courses and the real world of work is to tackle actual working problems.

Some of the success for this approach at Unigate can be measured in terms of cost savings. The managers involved believe that what they had learned led for example to a saving through a reduction in cheese off-cut losses of £30,000 at one creamery within ten weeks.

## Creameries

But there is a further real value as well, as is shown by management attitudes in at least five Unigate creameries in Cornwall, Devon, and South Wales. Coverdale training has been used for most of these people who usually include managers in charge of the factory, production, transport, technical engineering, accounting, and the laboratory, and, of course, the head cheesemaker in the cheese factory, and the appropriate foremen.

Most of these are "home grown and home spun" employees whose education and technical knowledge may be limited. But introducing them to more systematic working practices and welding them into a working team, helped to generate ideas from lower management levels which made expansion possible.

While not all Unigate managers are converted to the Coverdale approach, one factory manager told me that the training had helped him to organise himself and to adopt a systematic approach to problems without being authoritarian and he now saw his departmental managers as a team responsible for the whole factory.

The first creamery to have Coverdale training had a problem in that it just could not turn out a decent Cheshire cheese. This apparently had considerable effects on cheese-making morale. "We removed this psychological block by dropping the product altogether. Since then, we have gone on strength to strength," says the manager. "Cheese-making has so many impediments; therefore confidence is important."

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## Motorway building

The signs of recession in road-building, particularly in motorway building, were read by the company three years ago. In the ensuing months recourse was made to the only two available strategies—diversification, and an attempt to find a new and significant area of expansion within the road industry. The overall aim was to pare back the reliance of the company on its road interest from about 70 per cent, to something more like half.

Potters-Ballotini's approach to the problem of diversification has a strong U.S. flavour. The company's six managers, from the managing director to the marketing assistant, sit down together for an afternoon and "brainstorm". No idea for a new use of glass beads has been rejected during such a talk-in, and the result of the last session was, not untypically, a list of 100 ideas. The following day the application of a minimum of

Year to 31.12.76  
£3,364,000  
3.9%

Year to 31.12.75  
£2,150,000  
3.0%

Year to 31.12.74  
£1,800,000  
2.8%

Year to 31.12.73  
£1,500,000  
2.5%

Year to 31.12.72  
£1,200,000  
2.2%

Year to 31.12.71  
£1,000,000  
2.0%

Year to 31.12.70  
£800,000  
1.8%

Year to 31.12.69  
£600,000  
1.6%

Year to 31.12.68  
£400,000  
1.4%

Year to 31.12.67  
£200,000  
1.2%

Year to 31.12.66  
£100,000  
1.0%

Year to 31.12.65  
£50,000  
0.5%

Year to 31.12.64  
£25,000  
0.2%

Year to 31.12.63  
£12,500  
0.1%

Year to 31.12.62  
£6,250  
0.05%

Year to 31.12.61  
£3,125  
0.02%

Year to 31.12.60  
£1,562  
0.01%

Year to 31.12.59  
£781  
0.005%

Year to 31.12.58  
£390  
0.002%

Year to 31.12.57  
£195  
0.001%

Year to 31.12.56  
£97  
0.0005%

Year to 31.12.55  
£48  
0.0002%

Year to 31.12.54  
£24  
0.0001%

Year to 31.12.53  
£12  
0.00005%

Year to 31.12.52  
£6  
0.00002%

Year to 31.12.51  
£3  
0.00001%

## Ship named by Princess

PRINCESS ALEXANDRA has named the latest addition to the Cable and Wireless fleet in a ceremony at the Engineering Group in London.

The ship, Cable and Wireless, is a 10,000-tonne vessel, designed to carry 1,500 passengers and 500 crew members. It will be the first of a new class of ships, the Princess Alexandra class, which will be built for the company's new routes to the Mediterranean and the Black Sea.

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## INDUSTRIAL STRATEGY

# Search for foundry export outlets

IF THE Government's industrial strategy is about anything, it is about encouraging British companies to improve their market penetration both at home and abroad. And if the whole exercise lacks reality so far, it is precisely because the task of translating committee-produced targets, however well-analysed, into actual sales targets by individual companies can at best be a slow and disparate process.

However, one example of the way in which this jump from brave words to hard action can be helped along has been the work of the National Economic Development Office in seeking out export opportunities for the foundry industries.

Associated Engineering, U.K. ferrous and non-ferrous foundries have never been particularly active in the export arena. The industry has been too fragmented for the efforts required in foreign marketing.

The NEDO team, led by Mr. R. Muir, secretary to the non-ferrous foundries sector working party of the strategy, became interested partly because of the evidence that some European car companies were moving to aluminium casting, which might open up new export opportunities for British companies, and partly because the sector working parties concerned reported a substantial surplus capacity through much of the industry, which could benefit from an additional market outlet.

What they learned was both encouraging and sobering. On the encouraging side, trips to both Sweden and France showed that companies like Saab-Scania, Volvo, and Chrysler/Simca did, indeed, import a substantial proportion of their castings and were generally well prepared to consider British suppliers, particularly in view of the price attractions arising from the fall in the value of sterling.

There were the usual complaints from some companies about the unreliability of U.K. suppliers. Volvo, which buys in all its aluminium castings and nearly 40 per cent of its iron requirements, expressed particular disappointment with its

dealings with potential new suppliers from the U.K. Some, the company reported, always seemed to go wrong in its British dealings. Details asked for were not forthcoming or something other than asked for was supplied instead and the company often found it easier to turn to supply sources such as West Germany where what was asked for was supplied.

But Saab-Scania, which also buys in all its aluminium castings and some 60 per cent of its iron castings, was already relatively well pleased with its dealings with U.K. suppliers and showed particular interest in British companies investing under the ferrous foundries aid scheme on the grounds that these were likely to be good companies.

Against this, visits to Germany and Italy suggested a much tougher prospect for potential U.K. foundry exports. BMW reported that, despite the fall in the value of the pound, U.K. foundry prices were still 10 per cent above the level of German prices and as much as 40 per cent more than French and Italian prices. Daimler-Benz proved to have prolonged procedures for becoming accredited suppliers and, while not averse to looking at the price differential, it would have to be very attractive.

Fiat, in Italy, meanwhile proved to have a highly efficient foundry operation of its own with substantial surplus capacity and a keen hunger for export markets.

None of this could be described as particularly devastating. At a broader level, it has proved once again what those preaching the industrial strategy have stressed—that exports are a hard business of defining markets and pursuing them at a time when price competitiveness alone is not enough to subsume the requirement for quality and delivery.

With the Think Tank investigating ways of making the Foreign Office more responsive to the commercial needs of industry, the trips at least showed that the efforts and knowledge of the commercial department of British embassies may be rather underestimated. But the trips equally showed that British companies have a hard road to follow in overcoming the country's reputation for poor delivery and that, in the German case at any rate, there appears to be considerable non-tariff obstacles to British exports and a degree of anti-British feeling that more than one visitor has noticed recently.

The follow-up is now largely in the hands of the companies themselves, the British Overseas Trade Board and the trade associations. But, following the circulations of the papers summarising the visits, some two dozen companies have already written to British embassies in the countries requesting arrangements for visits to the car manufacturers. One company has quoted for castings business from Saaviem/Berliat and another company has gained a £1.5m. order for a range of goods from Chrysler/Simca with good prospects for additional orders for non-ferrous castings. It is this exercise on the ground which the industrial strategy, after all, is all about.

## Aluminium

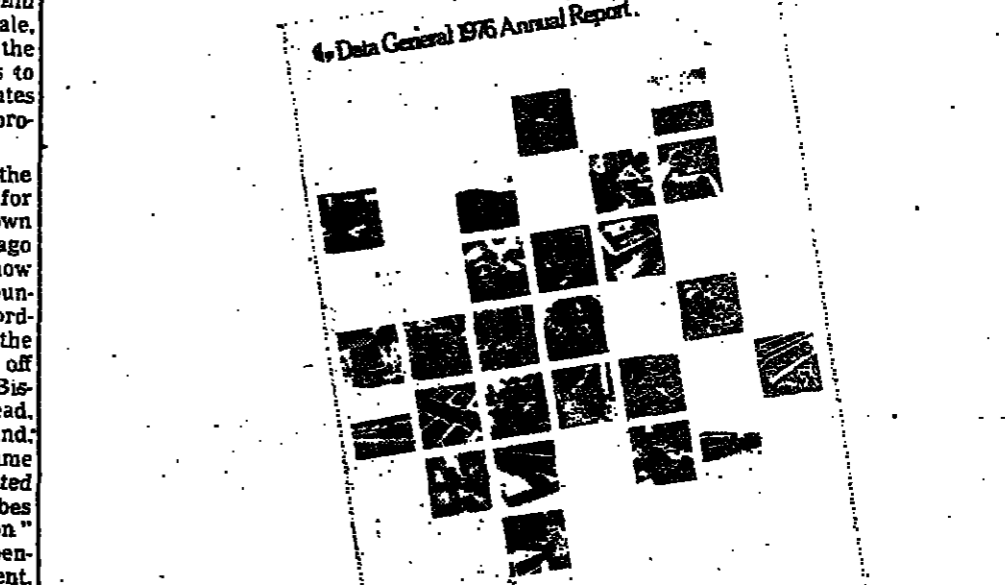
French companies, too, proved to purchase externally a surprisingly high proportion of their castings, especially Chrysler, which has no in-house aluminium castings capacity and was interested in British suppliers. Also interested were Saaviem, which was beginning to explore import possibilities; and Citroen, which was interested in grey iron cylinder blocks.

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TUESDAY, APRIL 19, 1977

Skirmishes on Phase Three

IN ITS attempt to secure a third year of incomes policy the Government needs the support of Mr. Jack Jones, the leader of the transport workers.

Realities

Quite what this contribution to the debate is meant to achieve is not at all clear. Mr. Jones speaks of the need to recognise economic realities, but trade union leaders themselves should be playing their part in communicating and explaining these realities to their members.

Price controls

Continued restraint of money incomes is more likely to assist our economic recovery than the rush for higher wages which would almost certainly result from a failure to agree. It is in any case implicit in the monetary targets, unless union leaders are prepared to risk their members' jobs.

Very much a mixed performance

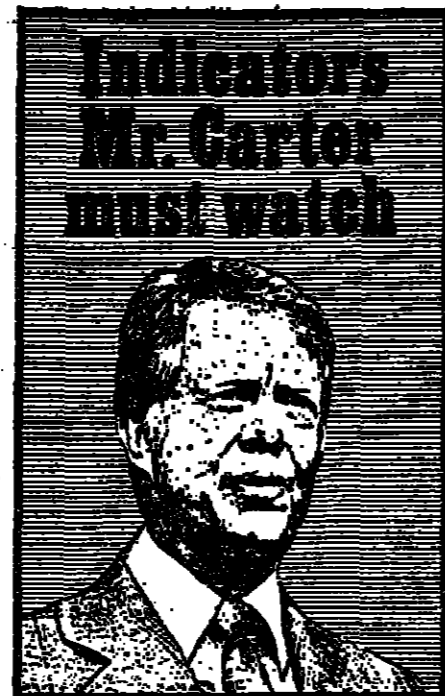
THE TRADE figures for March are somewhat better than might have been expected, while the retail sales figures are a good deal worse. Thus the signs are that the current balance of payments is moving reasonably quickly out of deficit, but that the domestic recovery has halted with total output and activity still not all that much above their recession low point.

The worst thing

There is no future in attempting to improve performance by adjusting demand management with each new indicator. Such an approach tends to promote inflation rather than real growth or employment and probably also aggravates the fluctuations it is intended to cure.

Ahead of schedule

If these two months are average we obtain an adjusted current deficit so far in 1976 running at an annual rate of just over £1bn. This compares with a rate of £1bn, which the Treasury forecasters expected for the first half-year as a whole.



Why Carter changed his mind

By DAVID BELL in Washington

PRESIDENT CARTER is going to have a lot of questions to answer when he goes to London for next month's Summit meeting. For the past four months, in public and in private, his Administration has been exhorting Germany, Japan, and other strong, industrialised nations to follow the American lead and reflate.

Officials of the Ford Administration now concede that their worst mistake was to underestimate the caution of consumers and investors. It is an open question whether the very suddenness with which Mr. Carter has changed course may not re-activate some of this caution.

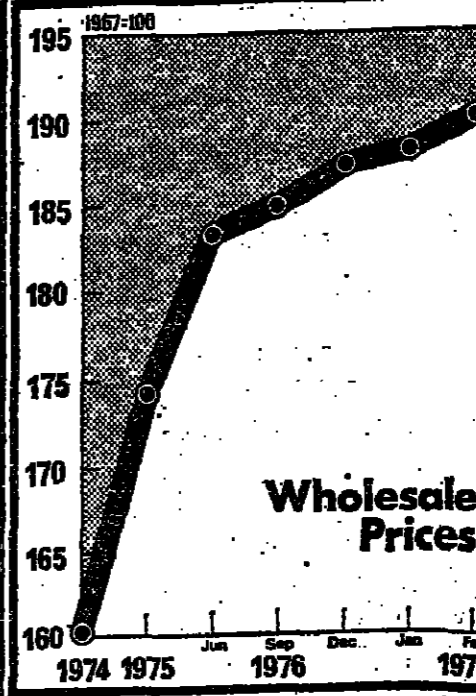
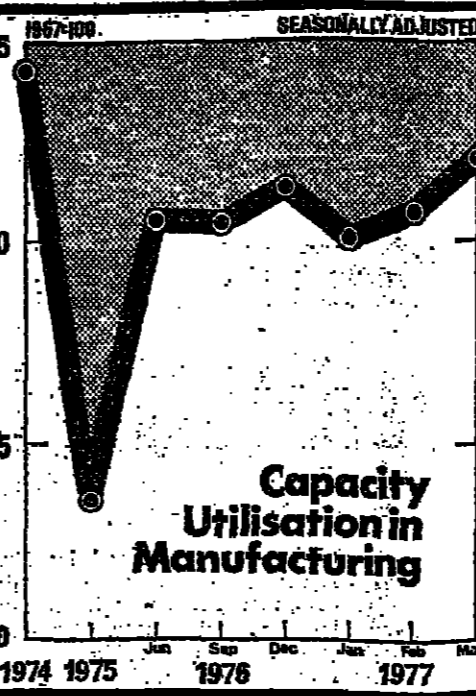
A businessman from Georgia

As for industrial investment, which Mr. Carter very much wishes to encourage, it is too early to say what the reaction will be. The President's action was warmly received on Wall Street, but that does not necessarily presage the kind of increase in investment that Mr. Carter wants.

Against that background, a \$31bn. package was put together. It was designed first to give the economy a quick boost with the \$11bn. tax rebate to revive consumer confidence and retail sales. A \$2bn. investment tax credit (now also withdrawn) seemed to confirm prejudices.

Treasury's need to borrow

However sudden the change may have been, Mr. Carter's advisers lost no time before reiterating their optimism about the monthly ahead. The removal of the rebate and the investment tax credit will reduce the estimated federal deficit for Fiscal 1977 (which ends on September



MEN AND MATTERS

Another Morgan for London

The process which has brought Morgan Stanley, one of the most powerful American investment banks, to London (it opened an office in the City yesterday), can be traced back most immediately to 1970 when the bank started securities trading in the U.S. It had up till then concentrated almost entirely on the primary side of the capital market business.

Reiner Kunze's wondrous years

Not many books coming out of East Germany ever make it to the best-sellers list in West Germany. But one which has is the latest collection of short stories by Reiner Kunze, the thread which runs through the stories in this collection is the way in which official East German acts to grind down the idealism and individuality of its young citizens.

Punchy

Two battling Dutchmen are currently facing each other in a fight over the creation of new international liquidity to help countries with balance of payments difficulties. They appear to be unequally matched, but championship fights sometimes produce surprise results.

Minister, whose plan to create a new \$15bn. facility has been carefully worked out by his American backers.

The supporters of Van Lennep, on the other hand, showed some clever footwork by pointing out that the IMF facility would not be big enough to finance both the developing world's and their own growing deficits. The match should be declared a draw, they said, and both combatants declared the winner.

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# The SWAPO case for Dr. Owen's file

SWAPO never met Mr. Andrew Shipanga, but anyone who is acquainted with his wife, Esme, will have a fair idea of what kind of a man he must be. Mr. Shipanga is impossible to meet because he is in the Kaonga prison at Dodoma, in Tanzania, for the crime of disagreement with his erstwhile colleague Mr. Nujoma, the president of the South West African People's Organisation. How he came to be imprisoned on the opposite side of the African continent from his homeland of South West Africa, without trial, and with no charges preferred save under the party-made law of Mr. Nujoma and his colleagues, is a black comedy that I will describe in a moment; meanwhile try to picture Mr. Shipanga.

Mr. Shipanga met Esme in Lusaka. She was the widow of one Todd Mashikiza, a vastly entertaining Johannesburg jazz composer whose music for "King Kong" was such a success in London in 1960. A clever, sophisticated, social worker, Esme is now in London, where one of her sons by Todd Mashikiza is an actor. She cannot return to Johannesburg; she tried once, in order to visit her mother, but was turned back at the airport.

## Protested

Until April 21, 1976—a year ago this Thursday—the Shipangas lived peacefully enough (considering his job as SWAPO's Secretary for Information) in a hospitable, book-lined home at No. 9 Fukwa Close, Kabwata, Lusaka. Esme was library assistant at the UN Economic Commission for Africa, and they received visitors from any part of the world. On that day the Zambian army arrested 50 members of SWAPO, including Mr. Shipanga, ten other leading party members, including just about the entire executive committee of the SWAPO Youth League, and 48 prominent members of the military wing. They were taken to Nampundwe camp; the interesting question is "why?"

Well, I cannot acquire the infinite detail that could give me confidence in the accuracy of any account of the swiftable with SWAPO that led to the arrests. The whole party supported the pro-Western Unita army in southern Angola, at a time when President Kenneth Kaunda was also doing so. Unfortunately the South African army joined in on the same side



Mr. Sam Nujoma: his displeasure means jail for Mr. Shipanga.

—and Mr. Shipanga was one of those who protested at this "fighting side by side with the Beers." There were also personal and tribal differences — and a straight bid for the leadership. As a result a faction within SWAPO charged that the party was corrupt, inefficient, and too strongly tied to Unita in Angola. They called for a special party congress at which the leadership under Mr. Nujoma could be challenged; it would have been

the first such opportunity since 1968. This is the fact that those who protested at this "fighting side by side with the Beers." There were also personal and tribal differences — and a straight bid for the leadership. As a result a faction within SWAPO charged that the party was corrupt, inefficient, and too strongly tied to Unita in Angola. They called for a special party congress at which the leadership under Mr. Nujoma could be challenged; it would have been

## Death

The Zambian Government tried to argue that its prisoners were in fact in protective custody, and when one recalls the bloody inter-tribe strife among Rhodesian guerrillas in Zambia two years ago it has to be said that President Kaunda has a point. In the SWAPO case, however, the protective custody was imposed against the vociferously expressed will of the detainees, who are particularly afraid of the implications of an interview given by Mr. Nujoma in which he said that the death penalty might be imposed by a people's court when SWAPO is able to arrange such an event.

You might think that the Lusaka court's decision was the end of the story, with the unlucky SWAPO leaders set free. Of course it was not: five days before the judgment was delivered they were despatched to Tanzania, where a luxury like habeas corpus is not available in such cases. Esme Shipanga was thus obliged to begin her long trek round the institutions of Geneva, London and elsewhere in an effort to arouse support for her husband's case.

Yesterday I asked the new European representative of

SWAPO, Mr. Saapua Kankungwa, how his party justified the continued detention of these which was turned down by the Lusaka High Court (on the ground that the presence of SWAPO members in Zambia was a political arrangement not subject to the normal protection of the constitution) but upheld by the Supreme Court of Zambia in a judgement studded with references to precedents right back to our own *ex parte Anderson* of 1961.

I have no way of telling whether or not Mr. Kankungwa is correct: all or some of those detained may or may not have been in the pay of the South Africans. Such allegations are a penny in revolutionary circles, and they are usually untestable. This is, however, beside the point: Mr. Shipanga and his colleagues have been in detention in both Zambia and Tanzania because the Governments of those two countries felt it necessary to oblige Mr. Nujoma of SWAPO—the largest African party in Namibia.

## A new Gulag

Namibian "freedom fighters" — SWAPO members — are thus now in prison in three countries: Zambia, Tanzania, and the Republic of South Africa. We have here the beginnings of a new African Gulag, says Dr. Kenneth Abrahams, a mixed-blood South African who was himself expelled from SWAPO in 1963 and who now lives with his Namibian wife in Sweden.

The tragedy is that the Gulag may extend beyond the shores of Africa. For the Shipanga story is not yet fully told. Esme, as you might imagine, is well-placed to contact in London

some of the many people who are themselves able to get in touch with the President of Tanzania, Dr. Julius Nyerere. As a result it is now believed in London that the Tanzanians would release Mr. Shipanga — to the Swedes.

This message, I am told, has travelled along the informal network of contacts to Stockholm, but the reply that has come back is chilling. Sweden has long supported African guerrilla movements, and its contacts with Swapo are close. Its Foreign Ministry told me yesterday that no official request to take Mr. Shipanga has come from Dar es Salaam, but it seems to have been made clear to his friends that if one did come the Swedes would feel obliged to consult Swapo; they would therefore be most reluctant. . . . Those of us who have been informed for many years about the liberal, open, honest, freedom-loving Swedes need spend only half an hour with the circumlocutions of Stockholm officials faced with this one to be stripped of many illusions.

It might be asked, what can the British Government do about any of this? Of course in his travels around Africa last week Dr. Owen had bigger fish to fry than the release of a handful of political prisoners: any Foreign Secretary who starts trying to get people out of jail, could spend his entire term in office doing just that, and he might get nowhere even if he did.

But it is also plain that the number of political prisoners in black African countries is something that can no longer be

ignored. Uganda, with its notorious atrocities, is a special case: apart from that (and on a quite different scale of values) Amnesty International seems to believe that there are probably several hundred detainees in Tanzania, fewer than 10 in Kenya, a great many more in Ethiopia and the Sudan and, if you count Jehovah's Witnesses, several thousands in Malawi.

## Prisoners

None of this is on anything like the scale known in the Soviet Union, but the principle is not very different. President Carter has declared the support of the U.S. for the freedom of such prisoners, and there is not much principle in drawing a line around black Africa and saying "it does not matter there."

For of course it does. I say this as one who is in total opposition to the white domination of Rhodesia, Namibia, and South Africa, three countries in which the onset of revolution has been brought about by the oppressive nature of the present regimes. There should be no compromise in opposition to these Governments; there can be no justification for the twisted racial theories upon which their policies are based.

Yet if our Western society is to survive—if it is to deserve survival—it must have pride in certain universal values. These apply in black Africa as much as in the Republic in Sweden as much as in Britain. It would be reassuring to hear that they do: to be told, perhaps, that the Swedish Government would after all accept Mr. Shipanga as a political refugee or that, if it will not, then the British Government will.

## Letters to the Editor

### Dumping special steels

From the Managing Director, ASI, Stainless Services.

Sir,—We draw your attention to the fact that the Department of Trade and Industry is considering a dumping case against Spanish special steels products. Is this policy really in the national interest? It has always been a known fact that when this market is active U.K. special steel producers are unable to support fully the market's requirements.

We now seem "hell bent" on protecting an inefficient industry from overseas competition on the basis of anti-dumping rules which are so uncommercial that they would be very difficult for any other country to implement against another. The evidence shows that one of the major problems with U.K. producers is that they are not aggressive sellers in the export market and therefore when this market becomes depressed they need protection against outside competition.

The British Independent Steel Producers Association itself can be blamed for a decrease in its share of the market at over the last two to three years. It has treated an almost monopoly situation where major producers have pricing structures which are almost identical. In addition to this in the last 12 to 18 months there have been substantial increases in prices despite the fact that the world market has been depressed and that other European producers have been seen to increase only once or twice a year. The net result has been that the British special steel product the U.K. has become an extremely attractive market to all major world producers, allowing efficient producers to take a larger, profitable share of the market. This is also borne out by the fact that British Steel Corporation is selling at prices well below the private sector.

Spain is obviously crying: a) discrimination, based on the heavy action being threatened compared with totally different handling of this problem with other countries; and b) retaliation based on evidence that for every tonne shipped from Spain to the U.K. two tonnes goes in the opposite direction.

Surely this is not in the national interest and we cannot help erecting protective barriers "ad lib" without expecting retaliation. Who gains then? The only way to defeat healthy competition must be efficient production and aggressive sales policy at home and overseas.

W. J. Urry,  
26 New Road, Kidderminster,  
Worce.

### List voting favoured

From the Honorary Secretary, Personal Rights Association.

Sir,—The reason why the list voting system is favoured in some countries is that it enables supporters of a small minority party to combine their votes throughout the whole country and send at least one member to put the party's views in Parliament; whereas if the country is split up in constituencies, no one constituency may provide enough votes to enable the minority party to secure representation in Parliament.

It is commonly agreed that constituency voting enables a local man to be chosen; whereas under

### Long-term take of CGT

From Mr. L. Clark.

Sir,—Mr. Healey's spring Budget speech this year differed from its two predecessors in April 76 and 76 in that it did not mention indexation of capital gains tax. The argument with which in 76 he dismissed the idea—"The right answer to inflation is not to tinker with the effects but to cure the disease and this we are doing"—might have been expected to lead to renewed interest in indexation, the rate of inflation having risen again in recent months. But the oracle is dumb.

So we are faced indefinitely with a 30 per cent, unindexed (or unindexed) long term "capital gains" tax in the context of a double figure rate of inflation. Though the Inland Revenue cannot yet be brought to admit the

### Bases for decisions

From Mr. R. Bullard.

Sir,—I read the critique by Michael Lafferty on the submission of the Institute of Cost and Management Accountants to the Select Committee on Expenditure and Investment in the House of Commons on 13th April 1977. The statement that companies do not and cannot make the best management and investment decisions is fallacious. Decisions are effected by management in the light of future economic and commercial circumstances, with the accounts being a progress report of the decision, rather than the basis of the decision. Furthermore many investment decisions are effected on the completion of prescribed "capital expenditure" forms, with an account of inflation only being the ascertainment of the cost of delay.

The statement that usefulness of published historic accounts is restricted has limited validity. Investors are not too interested, as inflation statements have not generally been produced by companies when raising money. Employees (or their trade unions) will not be interested in company results when demanding pay increases. The usefulness appears to be only to management in using inflation as a defence of its performance. Furthermore the presentation of current cost accounting management accounts could restrict their usefulness in that investment plans approved and undertaken in one "unit of money" will be reported in an adjusted "unit of money." Such changes in the rules of the game will invite confusion.

### Textile imports into the U.S.

From the Chairman, The National Wool Textile Export Corporation.

Sir,—I was interested to read the full-page announcement by Burlington Industries (April 13) detailing its concern at the current level of textile imports into the U.S. and the corrective action it believes is required in terms of adjustment to the multi-fibre arrangement.

We are glad to note that the views of the American textile industry on the renegotiation of the MFA have moved much closer to the European position and hope that our united front will bring about the desired result. It was slightly disturbing that the Burlington presentation did not stress that the MFA is employed, not as a general import control, but selectively against trade which is disruptive in terms of concentration, size and price. I am re-assured, however, by its implicit dedication to liberal trade policies generally and it is not proposing that the application of the current arrangement be extended to non-disruptive trade.

In the latter context and in relation to Burlington's concern for jobs and the security of shareholders' investment in the American clothing industry, it is interesting to recall that our organisation, which represents the whole of the British wool textile industry in export matters, invited Burlington last September to join with us in asking the incoming Administration for relief from the present iniquitous duties on wool fabrics imported into America. This tariff currently averages between 45 and 50 per cent, and is the highest by far in the developed world — and effectively

### Textile imports into the U.S.

administration of the tax. The fact, such a tax comprises two taxes: a tax on real capital gains net of real losses, if any; and a tax on the falling value of money which applies to all long-term capital transactions, a Minister of State, Treasury, admitted that this major part of the take of the long-term "CGT" derived from this second tax.

Its statutory backing is weak. It was never voted by Parliament. It was superimposed on the CGT legislation in the '65 Budget, by devaluations and inflation which no one anticipated at that time. Its legality springs from the failure of Governments of both parties to quash it. Its illegality derives from the lack of supporting legislation. If the long-term CGT of '65 was designed to authorise a levy on inflation primarily, and only secondarily a tax on real gains—such as the composite tax now is—the legislation, to be valid, would have had to be explicit about its aims.

Tackled on these points the Inland Revenue invariably refers to the case of Secretan v. Hart. A single judge, Buckley J, ruled that Schedule 6, para 4(1)(a) of the CGT legislation in the '65 Finance Act, defining the cost of a chargeable asset, did not allow the historic cost of shares, bought by Mr. Secretan in 1932 and subsequently to be adjusted in accordance with the value of money in 1965 when he sold them. (Given on July 18, 1969) Buckley J's clinching argument was that indexation of costs would unduly complicate the

Burlington must be well aware that a reduction in the wool cloth duty level would not imperil domestic weavers in any way, since its order books are full to overflowing and the existing level of wool fabric imports into America at around 2.5m. kilos is substantially lower than annual imports into such relatively big countries as Belgium and Holland. Potentially disruptive imports from Oriental suppliers are now shackled by the MFA and one searches in vain for any logical reason for the obsolete cloth tariff, which signally failed in its supposed purpose of saving the domestic mills from the disruptors in the past decade, to continue at its present level.

I therefore again invite Burlington to join the U.S. menswear and our own industry in a concerted effort to achieve the full, permitted 60 per cent, reduction in the duty on wool cloth, which would be a major contribution towards safeguarding jobs in U.S. clothing and wool textile production.

## To-day's Events

GENERAL  
Dr. David Owen, Foreign Secretary, makes statement to House of Commons on his tour of southern Africa.  
Finance Bill to implement Budget published.  
European Central Bankers end two-day meeting, Basle.  
EEC Foreign Ministers end two-day conference, London.  
Scottish TUC annual conference debates economic policy and unemployment, Rothesay.  
Mr. Edmund Dell, Trade Secretary, in Tokyo.

## OFFICIAL STATISTICS

Construction new orders (February).  
COMPANY RESULTS  
European Ferries (full year).  
Hawker Siddeley Group (full year).  
COMPANY MEETINGS  
Associated Sprayers, Birmingham, 10.  
National Westminster Bank, Winchester House, E.C. 12.  
Rea Brothers, Winchester House, E.C. 3.  
Worth (Bond), Droitch, Wores, 12.

£9.56m

£5.53m

£4.21m

1974 1975 1976

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2800 people working in our offices in 21 countries generated a brokerage income of almost £34m. and profits of £8.3m. in 1976. Nearly three-quarters of the income was earned in currencies other than sterling. The insurance companies and the Lloyd's underwriting agencies earned profits of £1.3m.

Profits £000	1974	1975	1976
Insurance broking	3,612	4,876	8,319
Insurance companies	48	92	594
Lloyd's underwriting agency	546	566	645
	4,206	5,534	9,558

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# Another eventful year for Bentalls

### PRELIMINARY STATEMENT YEAR ENDED 29 JANUARY 1977

**Group Sales (Excluding VAT) £31,467,088**  
Increase £4,283,688 -15.76%

**Profit before Tax £2,109,045**  
Increase £232,076 -12.36%

**Earnings per Ordinary Stock Unit 2.43p**  
Increase 10.45%

**Ordinary Stock Dividend Proposed 10.5669%**  
Increase 10%

**Transfer to Reserve £600,000**  
Last Year £300,000

**Unappropriated Profits carried forward £1,453,440**

#### ANNUAL GENERAL MEETING

11.15am on Thursday 26 May 1977  
in the Thames Room, Bentalls, Kingston upon Thames

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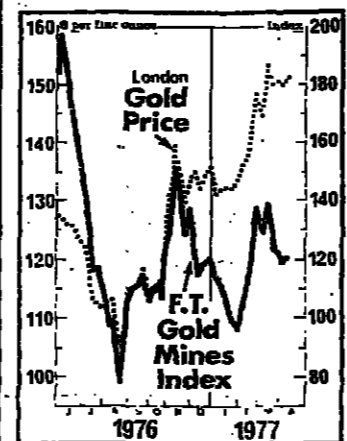
### MINING NEWS

## Labour again dampens gold mine profits

BY KENNETH MARSTON, MINING EDITOR.

THE FIRST of the South African gold mining working profits for the March quarter, make a mixed showing despite the fact that the mines have received higher gold prices than the average of \$122 per ounce obtained in the previous three months and only \$113 in the September quarter of last year.

Basically, it is a question of a hang-over of the 1976 shortage of black labour. The Consolidated Gold Fields group mines point out that the working force did not reach full strength until mid-February. Furthermore, the newcomers have had to be trained. Consequently gold production has not reached full norms and has fallen in some cases.



Training has now been completed and substantially higher production is in prospect for the current quarter. It is added, however, that an 11-shift working fortnight has been introduced with effect from the April pay month, but the mines hope to overcome this on production by encouraging the men to work the 12th shift as overtime. The resultant higher costs should be justified by output, it is added.

Meanwhile, West Driefontein reports a slightly lower March quarter surplus despite having received an average gold price of \$131 against \$119 in the previous three months. Lower production at Driefontein has not been helped by underground fire while Venterskop has increased its loss before receipt of State aid.

	Mar.	Dec.	Sept.	Mar.	Dec.	Sept.
Deeponfontein	382	1,739	1,403	382	1,739	1,403
West Driefontein	218	21	1,067	218	21	1,067
Kloof	3,484	4,400	3,136	3,484	4,400	3,136
Libram	3,142	1,495	1,191	3,142	1,495	1,191
Venterskop	772	1,097	51	772	1,097	51
Vlakfontein	98	749	247	98	749	247
West Driefontein	32,188	32,184	32,138	32,188	32,184	32,138

On the other hand, the young East Driefontein has lifted March quarter profits thanks to a further increase in the grade of ore milled coupled with a gold price of \$132 against \$117 previously. Libram has also benefited from better gold price while Kloof's production has improved from the previous quarter's particularly low level.

The group's latest quarterly

profits are compared in the following table.

### Cons. Rutile is to dredge

A change-over from dry mining to dredging is proposed, by the Consolidated Rutile group's Cons. Rutile for its Australian beach sand mineral operations at North Stradbroke Island in Queensland. The change, which will cost some \$4.5m, and will take about 18 months to complete, results from a need to cut operating costs following the fall in the prices of rutile and zircon. Dredging will reduce cut-off grades and significantly increase available reserves, it is stated. Drilling to date on the dredge path has proved ore reserves of approximately 500,000 tonnes of rutile and 400,000 tonnes of zircon, giving a mine life of over ten years at a plant capacity of 1,800 tonnes per hour.

Meanwhile, drilling is continuing on the area and potential dredging orebodies within the company's leases. It is intended to finance the project by profit retentions and outside borrowings, a facility of \$4.5m having been negotiated.

### Hampton Areas wolfram stake

A STAKE in the Australian Pacific Copper's small wolfram mining operation at Torrington, New South Wales is to be taken by London's Hampton Areas Mining Areas. The latter has been building up its interests while drawing the bulk of its revenue in royalties paid by Western Mining for working Hampton's nickel-bearing ground in Western Australia.

The latest deal gives Hampton the right to acquire a 30 per cent equity in the Torrington wolfram venture for \$250,000 (\$181,000). For a start, however, \$100,000 will be paid for a stake of 10 per cent, the funds to be used to develop and expand the existing open-pit mining operation.

This will reduce the stake in Torrington of Pacific Copper from 61.6 per cent to 59.6 per cent, and that of the other major holder, Shepherdy, from 33.5 per cent to 31.5 per cent. Hampton increases its stake to 30 per cent, that of Pacific Copper will fall to 31 per cent, and that of Shepherdy to 14 per cent. Hampton Areas were 40p and Pacific Copper were 40p in London yesterday.

### HARMONY'S GOLD AND URANIUM

In the March quarterly reports published by the Barlow, Rand group, Harmony's uranium profit has settled back to R8.9m (£5m) after having leapt to R14.5m in the previous three months from only R0.9m in the September quarter of last year.

However, Harmony's gold

profits have increased in the past quarter thanks to slightly higher production coupled with a higher price of \$131 compared with only \$119 in the December quarter. The overall working profit thus still makes a good showing—as can be seen in the accompanying table—but a higher tax charge has to be deducted on the latest occasion.

Even after the receipt of State aid, both Durban Deep and East Rand Proprietary have remained on the red list quarter and both have suffered an increase in costs. Blyvoor has managed to increase its surplus thanks to the higher gold price coupled with a special recovery of gold from clean-up operations at the old reduction works.

	Mar.	Dec.	Sept.	Mar.	Dec.	Sept.
Durban Deep	1,898	1,269	5,821	1,898	1,269	5,821
East Rand	2,413	1,488	1,228	2,413	1,488	1,228
Harmony	15,809	15,809	5,761	15,809	15,809	5,761

### The MKU crisis

AUSTRALIA'S ONLY existing uranium producer, the Rio Tinto-Zinc group's MKU, has been told that it must obtain higher prices for its uranium supply contracts by May 31 before it can justify additional funds to keep the company in operation.

The Australian Government and Conzinc Riontinto of Australia, the major shareholder in MKU, recently provided the company with a total of up to \$46m (£35.7m) in short term facilities which would cover requirements until May 31.

Mr. Espie said these arrangements were intended to provide the company with time to discuss re-scheduled deliveries and prices with customers and to consider long term financing needs. If the company ceased operations and wound up its affairs shareholders would not have the capital they subscribed returned.

He said the company's customers were willing to seek a solution in the practical interests of both parties. If MKU obtained the uranium price increases requested and was able to operate at its new projected level it should be possible ultimately for shareholders to regain the capital contributed.

But the prospect of a return on capital was now "more problematical". Before the Government and CRA would consider support for new capital raisings they wanted the economic viability of MKU confirmed by the Government-appointed independent consultant. He had already started his investigations.

Mr. Espie also told the meeting that the earlier estimate of ore reserves of 7,000 tonnes of uranium oxide may be about 10 per cent too high, but they were adequate to meet the 4,700 tonnes for which contracts were held. MKU might not be able to economically sell all the remainder.

### BIDS AND DEALS

## Wedgwood buying SPR

Manufacturers of fine bone china, Wedgwood has made an agreed take-over bid worth around £4.9m, for SPR Investments (a subsidiary of British Railways)—an investment trust in which London, the international trading group, headed by Mr. R. W. "Tiny" Rowland, has a stake of just short of 30 per cent.

The offer, which is tantamount to a rights issue for Wedgwood, values each SPR share at 121.9p on the share exchange/cash offer and at 117p per share on the cash unexercised basis.

The offer is complicated by a scrip issue in SPR Investments' shares on the basis of three-for-one. The terms of the bid, following the issue, will be Wedgwood plus 13p in cash for every 40 shares in SPR. The offer is underwritten as to 165p cash for each share in Wedgwood.

Accompanying the bid is a profit forecast for Wedgwood of £7.9m, before tax. The estimate has been based on the unaudited management accounts for the period from April 4, 1976 to February 29, 1977.

The directors of SPR, which include Mr. Rowland and Mr.

Butcher, the two Lomro representatives, are recommending that shareholders accept. The Lomro subsidiary which owns 29.23 per cent of SPR has indicated it intends to do so.

SPR Investments' portfolio, which contains largely of cash or near-cash (in the form of gilt-edged securities), is expected to rise to £4.6m. Wedgwood, whose shares dipped 6p to 142p last night, SPR Investments' shares rose by 7p to 115p.

Wedgwood has been advised by Hambros Bank and SPR by Guinness Mahon.

### ANDRE SILENTBLOC

The Board of Andre Silentbloc, advised by Barclays Merchant Bank, is still of the opinion that the offer from BTR is inadequate and unacceptable.

### SHEFFIELD BRICK

Rafnace Engineering's offer for the Ordinary shares of Sheffield Brick has been extended until April 7, accepted or refused. From the offer has been received in respect of 40,923 Ordinary

shares (5.17 per cent of the shares to which the offer relates).

### UNILEVER SWISS EXPANSION

A Swiss subsidiary of Unilever NV has acquired the capital of A. Sutter AG, a Swiss company whose prime interest is in the manufacture and sale of floor care equipment and floor cleaning products for schools, hotels, hospitals and other non-domestic clients.

The company employs some 500 people, has two selling subsidiaries (one in Germany and one in France), and agents in many countries. The value of the net assets acquired will not represent a significant proportion of the total assets of Unilever NV.

### MERGER DENIAL

The Boards of Hunting Associated Industries and Hunting Gibson state that no negotiations are contemplated, which would lead to a merger of the two companies.

## Camellia discloses 7.6% of Negretti

New legislation on disclosure of share stakes in publicly quoted companies yesterday revealed that Camellia Investments, through its wholly-owned subsidiary Jorshah Holdings, has a 7.6 per cent stake in Negretti and Zambra, the Aylesbury-based instrument-making company.

A spokesman for Camellia, which already has large stakes in a number of quoted companies—Routledge and Kegan Paul (30.5 per cent), Jorshah Tea (31.7 per cent), Unichrome International (20.4 per cent), and Ransome Hoffman Pollard (10.03 per cent)—said that the Negretti stake had been held for some time with the knowledge of the company.

Camellia, a former tea estate company controlled by Mr. Gordon Fox, a Canadian businessman, said there were clear opportunities in Negretti's product group, citing the recent bid for Barr and Stroud by Unichrome International, and that there were no aggressive intentions towards Negretti.

Share stakes announced included several others of between 2 per cent and 10 per cent of voting capital.

Penins has been notified by Scottish Amicable Life Assurance Society that it holds, together with its subsidiary Scottish Amicable Pensions Investments, 0.52 per cent of Pentos ordinary. Mr. J. Maher also notified his interest in 1,150,230 Pentos ordinary shares (7.5 per cent.).

(7.5 per cent.) ordinary shares in GT Japan Investment Trust. Mr. D. Bass holds 694,062 (6.8 per cent.) shares in Berrace Cars, and Mrs. E. Grimshaw holds 320,980 shares (5.7 per cent.). Mr. R. F. Atkinson holds 418,253 Petrocon ordinary shares (about 7 per cent.).

London and Liverpool Trust announces the following stakes: Mr. W. E. Boston, a director, holds 249,000 shares; Mr. M. R. Boston, a director, 249,000 shares. Selective Guarantee, a company controlled by the holder of 10,000 shares. Property and Leasehold (London), also controlled by them, is the holder of 10,500 shares.

Suits has received notification that AGCE Investments, a wholly-owned subsidiary of Lomro, on April 7, acquired 25,000 Ordinary shares of Suits. Accordingly, Lomro's total interest in Suits is now 7,639,248 (24.56 per cent.).

Trustees of the Beaverbrook Foundation purchased 1,400 Ordinary shares of Beaverbrook Newspapers on March 25 and 15,000 Ordinary shares on March 21. Directors of Beaverbrook included as trustees are: Sir Max Atkin, Mr. J. E. G. Stevens, Mr. P. A. Heatherington, Mr. Maxwell Atkin and Mr. J. Jusor.

F. F. Nash Holdings has acquired a further 10,000 Ordinary shares of J. F. Nash Securities making holding of it and its subsidiaries 2,299,388 Ordinary (68.6 per cent.). By virtue of his controlling share-

holding in J. F. Nash Holdings, Mr. J. F. Nash is deemed to be interested in 2,343,388 Nash Securities shares (76.3 per cent.) and Rosehaugh Company purchased a further 87,827 Ordinary shares of Rosehaugh Tea (Holdings) to bring its total holding to 541,327 (67.7 per cent.).

Williamson Tea Holdings purchased a further 150 Ordinary of Borelli Tea Holdings on April 13 and now holds 139,317 (60.11 per cent.).

James Finlay Corporation purchased a further 72,500 Ordinary in Provincial Cities Trust and now holds 1,447,000 (28.835 per cent.). Scottish Eastern Investment Trust acquired a further 37,632 Ordinary and 12,355 4 per cent. cumulative Preference shares in Western Canada Investment Company and now holds 315,638 (78 per cent.) Ordinary and 71,713 (71.7 per cent.) Preference.

Mr. R. M. Robinson, a director, ceased to have a non-beneficial interest in 102,750 shares of International Investment Trust of Jersey. In consequence his holding is now 125,800 shares.

Mr. D. S. Greenfield sold 60,000 shares in Greenfield Holdings. Mr. L. H. Jones, a director, purchased 300 Ordinary in United States and General Trust Corporation.

### TRUST AND AGENCY COMPANY OF AUSTRALASIA LIMITED



DIRECTORS:  
C. Michael Hughes (Chairman)  
C. J. Kirman (Managing Director)  
M. B. Baring  
R. D. Guthrie  
P. A. Revell-Smith

The 20 largest investments, convertibles and all of equity in any one company being treated as one investment were as follows:—

	Market Val at 31.12.76
George Wimpey	1,700
Shell Transport and Trading	1,344
Georgia-Pacific Corporation	684
Inchcape & Co.	600
Electrolux Aktiebolaget	569
General Electric Co. Ltd.	418
Sphere Investment Trust	405
M.I.M. Holdings	323
Estates House Investment Trust	311
Atlas Electric & General Trust	301
British Petroleum	290
International Business Machines	234
B.A.T. Industries	209
Citicorp	177
Imperial Continental Gas	166
Algoma Central Railway	163
Exxon	144
Conzinc Riontinto Australia	142
United Telecommunications	136
Guest Keen & Nettlefolds	126

These investments total £7,342,090 or 45.9 per cent of the portfolio.

The total dividend for 1976 was 4.29p per share (with 3.90p for the previous year and represents an increase of 10 per cent. Earnings amounted to 4.44p per share, before crediting profit on realisation of investments of company or 6.35p per share (7.44p) after crediting such

The investment policy of the company and its owned subsidiary, Tragen Investment Co Ltd, is that investment trust but the parent company is taxed as a company and the subsidiary is taxed as an investment company.

Copies of the Report and Accounts can be obtained from the Secretary, Winchester House, 77 London Wall, EC2N 1BL.

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\* Best trading year ever, with profits of £926 (1975: £705,275).

\* Maximum permitted Dividends declared.

\* Export orders reach over £2m for first time.

\* Early-warning smoke detector launched.

\* Nu-Swift film 'Exit Fire Fiend' creating wide interest and sales.

Extracts from the Review by the Chairman, Mr. Ivan Dorr, of 1976 Accounts of Nu-Swift Industries Limited.

The 17th Annual General Meeting will be held at the Hotel Inter-Conti London, on Friday, the 28th April, 1977, at 3 p.m.

Complete Review and Accounts, or full details of Nu-Swift equipment, from Dept. CH 77, Nu-Swift International Limited, Eland, West Yorkshire, HX5 9DS.

### Principal Subsidiary of NU-SWIFT INDUSTRIES LIMITED.

Eland (0422) 72852 & 76811 (12 lines). Telex: 51.384. London Showrooms: Nu-Swift Fire Protection Centre, 122 Regent Street, London W1R 6DD. 01-734 5724 (13 lines).

## S. Lyles Limited Carpet Yarn Spinners and Dyers

### INTERIM REPORT

The unaudited results for the half-year ended 31st December, follows:

	26 weeks to 31.12.76	27 weeks to 4.1.76
Turnover:		
United Kingdom	3,208,248	2,529,502
Exports	1,557,111	637,288
Profit before Taxation (see Note)	£4,765,359	£3,166,790
Taxation	358,247	31,067
Net Profit	1,862,288	16,155
Earnings per Share	£171,859	£14,912
	4.73p	0.41p

Note: Profit before Taxation includes loss of profits compensation for unfulfilled contracts £ — £ 66,894

Statement by Mr. John Lyles, Chairman: The result now reported shows a considerable improvement with that for the first half of the previous year and short of the profit earned for the whole of 1976. The advance to which I referred in my annual statement last November, has so that they constituted nearly 35% of our turnover for the year.

Our monthly management accounts for the first quarter calendar year show the trend towards higher turnover and profit to be continuing. I therefore expect the result for the half 30th June 1977 to be at least as good, as that now reported.

An interim dividend of 2p per share (1976: 1p) amounting to £72,638 (1976: £36,319), net of imputation tax, has been declared and will be payable on 1st July, 1977, to shareholders on the register at the close of business on 13th June, 1977.

## Dorada Holdings Limited

The vehicle distribution and engineering Group

### RECORD PROFIT OF £0.83M - UP 129%

Year to December 31	1976	1975	
Turnover:			
Motor Division	40,904	31,848	up 28%
Engineering Division	4,092	2,959	up 38%
Operating profit	566	452	up 25%
Exceptional items, mainly property sales	269	(88)	
Pre-tax profit	835	364	up 129%

- The substantial reorganisation of the motor division in the last two years is now justified in terms of sales and profits.
- The 38% expansion in engineering sales underlines the intention to enlarge the Group's interests in general engineering.
- Interest costs were £0.62m (£0.58m). Any shift in interest rates has a significant effect on our profits. The recent decline in rates is to our benefit.

Points from the Review of the Chairman, Mr. Thomas Kenny, FCA: • The motor division's contribution to earnings was 75% and the engineering division's share was 25%.

• Present indicators and our budgets point to a further improvement in profit. Copies of the Report and Accounts are available from the Secretary

Dorada Holdings Ltd - Deepdene House - Deepdene Avenue - Dorking - Surrey RH45 4RD

## Boddingtons Breweries Ltd Manchester

### SEVENTH RECORD YEAR

In his statement for the year ended 31st December 1976, the Chairman, Mr. Ewart Boddington makes the following points:

- \*Both sales and profits were a record for the seventh year in succession.
- \*Turnover is up 40.6% from £10,617,274 in 1975 to £14,931,014 in 1976. Pre-tax profits are up 36.6% from £2,127,000 to £2,906,000.
- \*During the year total sales in volume increased by 22.5% and Boddingtons' own beer sales increased by 25%.
- \*A major expansion of production capacity is under way and will be completed by mid-1978.
- \*Net Current Assets increased from £343,000 in 1975 to £1,206,000 in 1976 of which £950,000 was raised by the Rights' Issue in May.
- \*The proposed final dividend for the year of 1.5p per share makes a total for the year of 3.5p per share (1975: 1.8888p per share), the maximum permitted by agreement with the Treasury at the time of the Rights' Issue in May 1976.

Annual General Meeting, Board Room, Manchester Chamber of Commerce and Industry, Ship Canal House, King Street, Manchester, 12 noon, Tuesday, 10th May, 1977.

Copies of the Annual Report may be obtained from: The Company Secretary, PO Box No 331, Strangeways Brewery, Manchester M16 3EL.

Handwritten note: 10/10 1:50



# Storey Bros. advances by 23% to top £4m.

AS A RESULT OF a year's trading and cost-cutting measures, Storey Brothers and Co. reports turnover up by £5.7m. to £36m. for 1976 and record pre-tax profits of £4.2m. against £2.8m. an increase of 23.5 per cent. At mid-year the rise was from £13.2m. to £17.7m.

Full year earnings are shown as £1.42m. (11p) per 25p share and the dividend is the maximum permitted of 4.0p (16p) net with a final of 1.947p.

1976 1975  
 Turnover £36.00 £30.30  
 Pre-tax profit £4.20 £2.80  
 Tax £0.80 £0.50  
 Profit after tax £3.40 £2.30  
 Dividend £4.00 £3.00  
 Net profit £3.40 £2.30

The return on capital employed was 28.5 per cent. compared with 25 per cent.

Dr. David Harper the chairman, says the favourable conditions reported at the interim stage continued over the rest of the year. The more trade remained static, apart from some restocking to cancel the inventory recession of 1976. The group benefited from the fall in sterling in its export trading, but the initial advantage in selling prices is now being eroded, as raw materials become more expensive.

The retail products and industrial divisions did well particularly in the second half. Transfer printing faced well for the early part of the year, but suffered a reduction in activity in the second half.

Under present conditions, reports present the most promising areas for growth, members are active in 1976 direct exports were up by 22.5 per cent. of turnover. If goods manufactured by the group and exported by associates are included about 40 per cent. of sales production went overseas. Every effort will be made to increase this figure, says Dr. Harper.

In the early part of 1976, a £2.2m. 30-year term loan was negotiated with the Finance Commission for industry to provide finance for expansion and modernisation projects at the main manufacturing units in the Manchester area. The full amount of the loan was drawn down during 1976.

Also during the year arrangements were made to set up a manufacturing plant in America, to produce transfer printing paper. A considerable volume of sales had already been built up in U.S. but for further expansion it became essential for part of the growth to be supplemented by manufacturing capacity in the U.S./A company was thus established in Virginia and commenced operation in February, 1977. In accordance with Bank of England regulations, finance for the project came from local borrowings.

The Board has followed the policy of purchasing new efficient equipment and bringing up to date any existing equipment where technical change has made this desirable. As a result, production facilities are as good

as any in Storey's line of business in the world. The group has also kept a tight hold on all establishment costs.

Storey, therefore, has the capacity to deal with any increase in volume that may emerge, and prospects depend on the trading level experienced during the current year.

In the home trade, there is no suggestion that the economic climate will lead to any better trading levels in 1977 than in 1976, states the chairman.

Export trade will depend on the value of sterling and how far increased costs erode the temporary advantage devaluation has provided.

At the same time, the hoped-for upturn in world trade may well be set back by a recession. In the circumstances, no forecast is possible other than that, given a fair wind, the group will do well, says Dr. Harper.

## S. Lyles sees at least £0.7m.

A RECOVERY to former levels of first-half profit is announced by S. Lyles and Mr. John Lyles, chairman, reports that third-quarter results indicate a continuing trend towards higher turnover and profitability.

He expects second-half pre-tax profit to be at least as good as the £0.38m. for the 26 weeks to end December, 1976 (£31,067 for the 27 weeks to January 4, 1977). For the 52 weeks to June 30, 1976, the result was £0.44m.

The chairman says that the advance in exports from £0.54m. to £1.50m. at halfway has continued so that they constitute nearly 30 per cent. of turnover.

Earnings per 20p share are shown to be up from 0.41p to 0.47p and the net interim dividend is lifted from 1p to 1.2p. Last year's total was 4p.

The company operates as carpet yarn spinners and dyers.

1976 1975  
 Turnover £1,500,000 £1,180,000  
 U.K. £1,200,000 £950,000  
 Exports £300,000 £230,000  
 Profit before tax £380,000 £310,000  
 Tax £70,000 £50,000  
 Profit after tax £310,000 £260,000  
 Dividend £1.20 £1.00  
 Net profit £310,000 £260,000

## Kearney Trecker upturn

A SHARP rise in pre-tax profit from £38,700 to £209,868 is announced by machine tool makers, Kearney and Trecker Marwila, for 1976. Once again there is no dividend payment.

Turnover dropped from £12,97m. to £10,57m. Profit is subject to tax £2,870, £2,870 credit and extraordinary debits of £153,207, compared with £147,764, leaving £48,791 (£106,194 loss).

1976 1975  
 Turnover £10,570,000 £12,970,000  
 U.K. £8,200,000 £9,500,000  
 Exports £2,370,000 £3,470,000  
 Profit before tax £209,868 £38,700  
 Tax £40,000 £20,000  
 Profit after tax £169,868 £18,700  
 Dividend Nil Nil  
 Net profit £169,868 £18,700

## Advance at Tern Consulate

On turnover up from £2.8m. to £3.2m. and the makers of 1976-Consulate lifted pre-tax profits from £67,221 to £86,725 in 1976 after £38,001, against £80,031, in the first half.

Full-year earnings are shown at 6.1p (5.7p) per 25p share and the dividend is raised from 0.5p to 0.625p net.

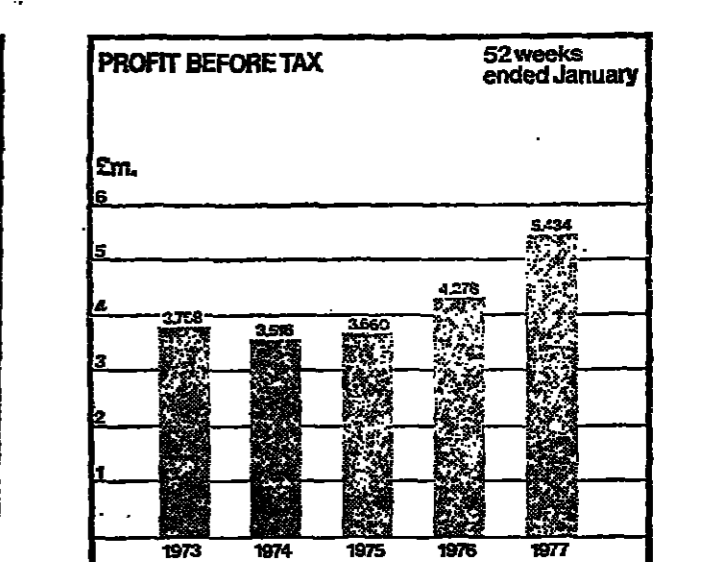
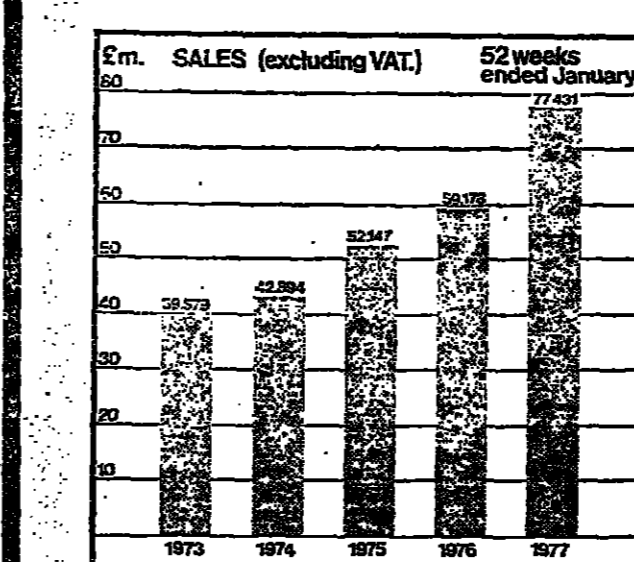
1976 1975  
 Turnover £3,200,000 £2,800,000  
 Trading profit £86,725 £67,221  
 Bank and loan interest £2,940 £7,389  
 Profit before tax £89,665 £74,610  
 Tax £2,940 £7,389  
 Profit after tax £86,725 £67,221  
 Dividend £0.625 £0.50  
 Net profit £86,725 £67,221

# Pre-tax profits exceed £5 million

● Sales for the 52 weeks ended 29th January 1977 increased by 31 per cent. and profits by 27 per cent. Compared with the 53 weeks to January 1976 the respective increases were 28 per cent. and 23 per cent.

● In the opening two months of the current financial year sales have increased by approximately one-third over last year. A continuing increase of sales in both value and volume is anticipated, thereby maintaining real growth.

Group Results	1977 52 weeks £000	1976 52 weeks £000	1976 53 weeks £000
Sales (excluding VAT)	77,431	59,178	60,265
Net Profit Before Taxation	5,434	4,278	4,429
Net Profit After Taxation	2,622	2,011	2,082
Earnings per share	12.05p	9.94p	10.27p
Dividends Interim	1.53p		1.39p
Proposed final	1.80p		1.64p



# Empire Stores

## The key to Provincial's success has been its concentration on attracting stable investment income.

"Why was it necessary to adopt this policy, and what did it help to achieve?" Mr. Dennis Howroyd, Provincial's Chairman, posed this question in his President's address to members given on Monday 18th April in Bradford. The following extracts provide some of his answers:-

- Continuing economic uncertainty produced a highly sensitive financial market, bringing exceptional peaks and troughs in investment flow.
- Provincial controlled this by operating a range of investment plans with interest rates related to the length of the investment term.
- This policy, coupled with responsible management of its liquid funds helped to maintain a constant level of lending within the housing market.
- Investments**
- 107,000 new investors' accounts were opened in the year.
- Three and four year term shares were added to our list of investment facilities with the option for interest to be paid monthly.
- Investors' satisfaction is shown by the high number of renewals on shares reaching maturity.
- Balances in Paid-Up shares rose by £58m to £520m, providing flexibility and a competitive return.



- Mortgages**
- The number of new borrowers increased from 17,250 in 1975 to 21,100 in 1976, with almost half going to first-time purchasers.
- Mortgage advances increased by 43% to £189m in 1976.
- A constant level of lending was maintained throughout the whole of last year including the last quarter

- when investment receipts reached a very low level.
- The Masterplan mortgage service has been widely acclaimed, and there can be no doubt that it has answered a real need.
- The Society's Strength**
- The extra cost of term shares has been successfully met, and our reserve ratio has increased to 4.2%—the highest of any major society.
- Total assets of the society are now £862m, an increase of 14.1%.
- Twenty-three new offices were opened, increasing the total number of Provincial offices to 157.

**PROVINCIAL**

**PROVINCIAL BUILDING SOCIETY**

Provincial House Bradford BD1 1NL  
 Telephone 0274 33444



# INTERNATIONAL FINANCIAL AND COMPANY NEWS

## MONTEDISON

### Sig. Cefis in a winning phase

BY PAUL BETTS MILAN, April 18.

WHILE THE CRUCIAL annual general meeting of the Milan-based chemicals conglomerate, Montedison, continued here late to-night, it appeared that the company's controversial chairman, Sig. Eugenio Cefis, had effectively won the first round of the political battle over the future of the group.

Already by this afternoon there was growing evidence that the attempts in the last 48 hours by the country's Left-wing forces, particularly the Communist Party, to prevent Sig. Cefis from pushing through a major top management reshuffle had failed.

This top management reshuffle effectively consolidates Sig. Cefis's voice on the Montedison Board as a result of the removal of one of his most bitter critics, Sig. Giuseppe Ratti, the company's foreign relations manager, and the incorporation of five of his closest collaborators into the Board. Among them is Sig. Mario Schimberni, the chairman of Montedison's perennial loss-making fibres and textiles subsidiary, Montefibre.

Apart from Sig. Ratti, two representatives from the Italian State medium- and long-term credit agencies—Sig. Guido Cappon of IMI, and Sig. Franco Piga of ICIPU—have left the board.

Although Sig. Cefis was expected to-night to reiterate his intention to resign as chairman of the company he has headed since 1971, he was also expected to accept to be re-elected as chairman to-night until an alternative candidate had been selected to head what is the country's second largest enterprise after the Agnelli Fiat group.

The fundamental problem for Sig. Cefis remains that he badly needs a lighter—albeit with limited resources—right now, given Italy's economic crisis—is the State. And the State-to-day means not just the ruling Christian Democrats but also the Communists and the Socialists.

The Montedison problem is now squarely with the party machine and not with Sig. Cefis, as his apparent decision to remain chairman only temporarily indicates.

To-day Sig. Cefis, who had a series of level meetings with leading Christian Democrats in the last 48 hours, appeared to have successfully gained time over what are expected to be major decisions which will effectively transform the Montedison group in the longer-term.

**General Refractories**

April 16.

General Refractories Company said an Austrian subsidiary had entered into an agreement to acquire six European entities owned or controlled by Hermann Mayer of Lausanne for about \$5.4m. Reuter reports.

The company said the entities distributed finished refractory products for general refractories European subsidiaries.

**Manoeuvre**

This has been widely interpreted as a subtle manoeuvre by Sig. Cefis to gain time to allow the country's political forces to reach some compromise agreement over the company's future.

The Communist Party has attempted to gain greater control over Montedison by pressing for the establishment of a State holding company, grouping together all public shareholdings in Montedison.

The new company would, in effect, gain control over the chemicals group, currently controlled by a syndicate composed of the company's major private and public shareholders, of which Sig. Cefis is also president.

Sig. Cefis has all along fought to maintain the "essentially private character of the company. His decision to stand down

## AMERICAN NEWS

### SEC focuses on NYSE options

BY STEWART FLEMING

MOUNTING CONCERN about the possibility that some big traders may be manipulating prices of some New York Stock Exchange issues in order to make profits on underlying stock options are being investigated by the Securities and Exchange Commission.

The anxieties are also believed to have sparked off a renewed self-regulator effort on the options markets aimed at trying to collect data to determine whether or not price manipulation is taking place.

The SEC has the responsibility for monitoring and regulating the rapidly expanding U.S. share options markets and has required the options markets, which include the Chicago Board Options Exchange and the American Stock Exchange, to adopt complex rules to inhibit manipulation.

The rules limit the companies whose shares can be traded in option form in order to try and ensure big and liquid markets in stocks which would make manipulation difficult.

In spite of the regulatory climate, options exchanges have intermittently been faced with allegations of false trading and manipulation from Connecticut. In 1976 the company earned \$100.9m.

The company said a higher effective tax rate depressed its first quarter earnings. Domestic

metal can operations experienced lower sales but higher earnings due to increased operating efficiencies.

The company said it lost about six cents per share from foreign currency translation, compared with a gain of three cents a year earlier.

A strong March made up for disruptions and increased costs caused by severe weather in January and February.

**Confidence at American Can**

AMERICAN CAN said the improving economy, strengthening demand for its products and on-target performance improvements have increased its confidence in continued profit improvement for 1977. Reports Reuter from Connecticut.

In 1976 the company earned \$100.9m.

The company said a higher effective tax rate depressed its first quarter earnings. Domestic

## GERMAN COMPANIES

### Cautious optimism at Conti-Gummi

BY GUY HAWTIN

CONTINENTAL Gummi-Werke, West Germany's largest tyre manufacturer, is viewing 1977 with "cautious optimism."

For the first time in many years, the group has completed the first quarter with profits at break-even.

Normally the first quarter is a thin one for tyre manufacturers. The bulk of winter sales take place before Christmas, while demand for summer tyres is usually very quiet. The company is unwilling to forecast the year's likely outcome, having got it wrong twice in the past; however, their target is to achieve a major decrease in Conti's accumulated loss.

There is no disguising the fact that things are going far better at Conti than a year ago, particularly in the tyre manufacturing sector. The utilisation of the concern's tyre-making capacity has "never been so good." Capital investment this year will total DM55m, against DM53m in 1976 and DM48m in 1975.

The parent concern's first quarter turnover was a full 16.4 per cent up on the performance recorded in the same three months of 1976, rising from DM322m to DM375m. (\$91.5m.).

Sales in the tyre manufacturing sector were ahead by a full 20 per cent, while turnover in the technical products sector was up by 13 per cent.

This year the largest losses continue to come from the group's Stoecton factory, which makes the traditional diagonally-treaded commercial vehicle tyres. But this will be closed down in 1977.

There were also losses from certain overseas operations, but these were no higher than in 1976 or 1975.

Last year the group failed to reach its target of pushing profits up into the two-figure millions bracket. However, they were not altogether unhealthy. Operating profits totalled DM6m, after the previous year's DM3m. The technical products sector once again continued to make a profit, but this was to a degree still offset by losses in the tyre making sector.

The year's net profit, totalled

DM5m, after the previous year's DM3.5m, while the balance sheet loss declined from the previous year's DM91.5m, to DM81.5m.

The parent concern's turnover rose by 5.1 per cent to DM1.44b, while sales of the group's West German operations rose by 4.1 per cent to DM1.78b.

Against this, however, world sales showed an increase of only 2.2 per cent to DM1.87b. (\$496.1m.).

Messer Griesheim

MESSER GRIESHEIM is expecting this year's turnover to grow at a faster rate than the forecast expansion of West Germany's gross national product. As with 1976, the concern remains remarkably bullish about its prospects despite the continued recession in the steel industry—its leading customer.

Returns so far indicate that

the group's predictions are in line with current trends and sales in the first quarter of the year.

**Salzitter loss**

HANOVER, April 18.

THE STATE-owned Salzitter AG group reported a loss of DM50m for the fiscal year ended September 30, 1976, on a drop in sales to DM8.9bn, from DM9.5bn, and the current year is more likely to be worse than better. Mr. Hans Birbaum, management board chairman, told a Press conference, AP/DJ reports.

In fiscal 1975, Salzitter reported neither profit nor loss. "We don't expect any pickup in domestic steel demand in the foreseeable future," Mr. Birbaum said of fiscal 1977 prospects.

## Trust Bank gearing

BY RICHARD ROLFE JOHANNESBURG, April 18.

THE ANNUAL report of Trust Bank, which has been the big bank in South Africa most affected by the Republic's banking and property problems, will probably come as a disappointment to most of the holders of the group's 47m. issued shares.

It is long on certain aspects—such as the bank's pioneering of "pictorial cheques"—but short on substantial detail of its involvement in illiquid property companies such as Glen Anil and Lengro, in which the bank has many millions at stake.

Assets of the bank now amount to R12.24bn, a figure which testifies to its pursuit of business over the past few years, but with liabilities of R12.21bn, a high degree of gearing becomes apparent. Shareholders' interest amounts to R83.5m, and with the shares, currently the subject of a partial offer from Bankorp (the holding company for the banking interests of the Sanlam Insurance Group) standing at 38c in the stock market, Trust Bank is capitalised at a mere R18m.

The main problem with the Trust Bank.

group's property interests is that its investments are believed to be worth considerably less than book value. The report discloses R25m. invested in associates, which R18m. is Preference capital in the bank's associated property developer Lengro.

The offer from Bankorp of one Bankorp share for three Trust is to be a stand-by offer rather than a formal one. Thus Trust Bank shareholders will physically have to tender their shares if they wish to accept. Regardless of the outcome, however, Trust Bank is now firmly under the management control of Bankorp. The first fruit is that its merchant banking arm, Trust Accepting Bank, is to be merged with Sengearing, becomes the big Bankorp merchant banking operation forming the biggest merchant bank in the Republic. The terms are yet to be announced, but one aspect of the deal is that apart from rationalising the merchant banking activities of the two groups, it also provides the occasion for an initial cash injection into the Trust Bank.

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## EUROMARKETS

### Morgan Stanley opens in London

BY MARY CAMPBELL

MORGAN STANLEY INTERNATIONAL, an affiliate of the New York investment banking firm of the same name, formally opened its office in London yesterday. The office is the group's fourth outside New York—after Paris, Tokyo and Montreal.

The main concentration of the business in London will be on international bond market activities. In particular the office will be Morgan Stanley's first significant trading operation outside the U.S.

Until now the company's trading activities in Europe have been limited to back-up for its new issue activity in the Euro-bond market.

Initially the new office expects to confine its activities to U.S. and Canadian dollar denominated Eurobonds. A spokesman said yesterday that it would conduct its activities as a market maker in a "fairly broad number of issues." There will be five or six dealers trading Eurobonds in the not-too-distant future Morgan Stanley also expects to

be trading U.S. dollars and the possibility of trading non-dollar international securities long term. Trading to start up within a month. The office is expected to have about 40 staff with 10 of them being transfers from Paris. The staff has hitherto been run of the operation across to London.

"The corporate for the business will be between London and New York," said a spokesman. "The corporate for the business will be between London and New York," said a spokesman. "The corporate for the business will be between London and New York," said a spokesman.

THE DOLLAR sectors of the market were busier yesterday than usual on a Monday, dealers reported. The announcement of the very large \$150m. Volkswagen issue had no perceptible effect on the market. By yesterday evening prices were if anything an eighth of a point higher than on Friday.

Dealers suggested that one reason for the high level of activity—particularly in the morning—was the half-day holiday in Zurich yesterday afternoon.

The price of the Credit Suisse convertible is down between 13 and two points compared with levels before the announcement of the large losses at the Chiasso branch. It closed at 98 1/2 yesterday.

One new issue has been announced, \$25m. for City Investing Company, the U.S. insurance, manufacturing and housing company. It offers an indicated 8 1/2 per cent for seven

years, with Blith Bank as lead manager.

**BONDTRADE**

Medium term	108
Long term	95
Convertible	108

STE NATIONALE (SNEA) of Paris is floating a \$100m. floating rate note. The issue is being managed by Deutsche Bank AG & Co. Reuter reports.

In a statement Deutsche Bank said that the funds will be used for SNEA expansion.

In January, SNEA initially for 40 per cent, above Leu, announced, \$25m. for City Investing Company, the U.S. insurance, manufacturing and housing company. It offers an indicated 8 1/2 per cent for seven

### Dollar sectors busier

BY OUR OWN CORRESPONDENT

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### Straits Steamship Co

SINGAPORE

STRAITS Steamship Company, 60 per cent owned by Ocean Transport and Trading, has reported a net 1976 group profit of \$2,030,000. (\$11.25m.) on sales of \$36,990,000. (\$80.11m.). An unchanged dividend is declared of 34 per cent, payable on May 19 to shareholders on register on May 4.

The pre-tax profit is \$9,040,000. (\$11.83m.) and attributable profit before extraordinary items is \$6,570,000. (\$8.95m.).

half of its wood products. Overseas prices have risen sharply since the Tasmanian construction boom in 1975 and 1976. The cost of wood was originally \$890m, but has since risen to \$1,200m.

Although Wesley Vale has been deferred, APF is a much less costly option at its current price.

### Associated Pulp cutback

BY JAMES FORTH SYDNEY

ASSOCIATED Pulp and Paper Mills, timber and fine paper group, has deferred a \$200m. expansion programme because of a "continuing worldwide recession in the pulp and paper industry."

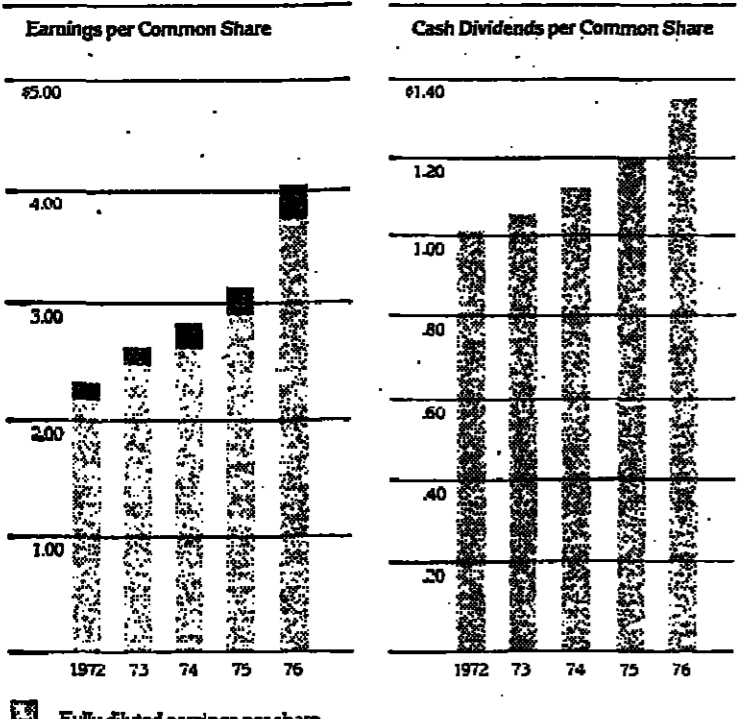
APPM has been working on a major expansion of its pulp mill operations at Wesley Vale in Tasmania, but directors said today they had been "reluctantly obliged" to defer the plans because the recession made the financing of the project uncertain.

The Wesley Vale project is important to APPM because it would convert the group from an importer of pulp to an exporter. At present the company is forced to import about

# REPORT TO INVESTORS from a company called TRW

## TRW Reports Record 1976 Results

FINANCIAL HIGHLIGHTS	1976	1975	% Change
Net Sales	\$ 2,929,014	\$ 2,585,683	13.3%
Earnings Before Income Taxes	\$ 242,139	\$ 184,305	31.4%
Net Earnings	\$ 133,063	\$ 103,899	28.1%
Percent to Average Shareholders' Investment	16.6%	14.3%	
Earnings Per Share			
Primary	\$ 4.05	\$ 3.08	31.5%
Fully Diluted	3.63	2.86	26.9%
Cash Dividends Paid	\$ 1.35	1.20	12.5%
Common Shares			
Outstanding	27,628,000	27,482,000	
Average and Equivalents	28,513,000	28,011,000	



TRW Inc., an international supplier of high technology products and services, reports record 1976 sales, earnings, and earnings per share.

For 1976, worldwide sales were \$2.93 billion, an increase of 13% over the previous year's \$2.59 billion. Net earnings reached \$133.1 million, a 28% gain over 1975's \$103.9 million. Earnings per share were \$4.05, exceeding 1975's record \$3.08 by more than 31%.

Over a year ago TRW announced new long-range financial objectives which were: a reduction of TRW's debt/equity ratio to 30/70; an average return on assets employed of 15%; a return on shareholders' equity of 20%; and continued dividend growth.

Progress in 1976 toward meeting these objectives demonstrated that the new objectives are reasonable and are attainable in the near future. During 1976, total debt was reduced by \$51.9 million so that the year ended with a debt/equity ratio of 31/69 as compared with 36/64 at the end of 1975. Return on assets employed improved from a corporate-wide average of 9.9% in 1975 to 12.0% in 1976. Return on shareholders' equity rose from 14.3% in 1975 to 16.6% in 1976. Dividends were increased to \$1.35 per share from \$1.20. The company's improved balance sheet and operating efficiency will enable it to focus even more strongly on the quality of operations and growth in 1977.

If you would like further information on TRW, please write for a copy of our 1976 annual report: TRW Europe Inc., 25 St. James's Street, London SW1A-1HA.

A COMPANY CALLED TRW

The Securities having been sold, this announcement appears as a matter of record.

New Issues

**RJR**

**\$150,000,000**

**R. J. Reynolds Industries, Inc.**

**8% Sinking Fund Debentures, Due January 15, 2007**

Dillon, Read & Co. Inc.

The First Boston Corporation    Merrill Lynch, Pierce, Fenner & Smith    Reynolds Securities

Salomon Brothers    Warburg Paribas Becker Inc.    Bache Halsey Stuart Inc.    Blyth Eastman Dillon

Donaldson, Lufkin & Jenrette    Drexel Burnham Lambert    Hornblower & Weeks-Hemphill

E. F. Hutton & Company Inc.    Kidder, Peabody & Co.    Kuhn Loeb & Co.    Lazard Freres

Lehman Brothers    Loeb Rhoades & Co. Inc.    Paine, Webber, Jackson & Co.

Smith Barney, Harris Upham & Co.    Wertheim & Co., Inc.    White, Weld & Co.    Dean Witter

ABD Securities Corporation    Basle Securities Corporation    Cazenove Incorpo

EuroPartners Securities Corporation    SoGen-Swiss International Corporation    UBS-DB Corporo

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INTERNATIONAL FINANCIAL AND COMMERCE NEWS

More surveillance planned for offshore companies

SWISS Federal Banking Commission may take steps towards improving surveillance of offshore letter-box companies...

AGA sees maintained earnings this year

STOCKHOLM, April 18. AGA, the Swedish industrial gas and welding concern, expects to maintain earnings this year...

Chilean loan confidence

THE ECONOMIC policies of the Chilean Government are yielding dividends for Chile on the international financial markets...

VW hopeful of strengthening market position this year

WEST GERMAN sales of Volkswagen Group outside West Germany are expected to rise in 1977...

Record profits growth at DBS

SINGAPORE, April 18. INCREASED earnings from its subsidiaries and securities holdings...

Dividend reduced at Nokia

HELSINKI, April 18. OY NOKIA AB, the second biggest privately owned industrial company in Finland...

MORGAN STANLEY INTERNATIONAL advertisement with contact information for London, New York, Paris, Tokyo, and Montreal.

Petrofina Canada auditors report advertisement detailing financial results and tax matters.

Bank group expands in Africa

RANK OF AMERICA, Banque Nationale de Paris, Dresdner Bank and Banque Bruxelles Lambert are planning significant expansion of their operations in Africa...

Table of Selected Eurodollar Bond Prices with columns for Bid, Offer, and various bond types.

DOW CHEMICAL OVERSEAS CAPITAL N.V. advertisement for \$120,000,000 8% Guaranteed Notes 1986.

Corporacion Minera de Bolivia (Comibol) \$25,000,000 Seven Year Loan advertisement, guaranteed by Banco Central de Bolivia.

HUTCHISON INTERNATIONAL LIMITED advertisement showing consolidated profit and loss account for 1976 and 1975.



SOMALIA'S ECONOMY

# Greener pastures for the nomad

By JAMES BUXTON, recently in Mogadishu

NOWHERE in the world, except perhaps in Mongolia, do nomads make up as large a proportion of the population as they do in Somalia. No less than 70 per cent of this East African state's estimated 3.2m. people are thought to be nomadic herders.

The Marxist Government which has ruled Somalia since 1969 considers the nomads to be its most intractable economic problem. It recognises that at a given level of technology nomadism is an efficient way of making use of highly variable rain and water resources, and that nomads provide more than half of the country's foreign exchange earnings through the export of live animals and, to a small extent, meat products, mainly to the Middle East.

But without a drastic change in grazing methods the nomadic population cannot expand beyond a certain limit. Yet natural population growth makes the nomads highly vulnerable to drought and famine and puts pressure on pasture.

## Fishing

On the other hand the valleys of the Juba and Webi Shebelle rivers in the south of the country provide water and about 8m. hectares of fertile soil, of which only about 1m. hectares are cultivated. Somalia's strategy is to develop the fertile areas, and to a lesser extent invest in industry and fishing, so that the surplus nomadic population can gradually be settled. This needs much money and skilled manpower, neither of which Somalia, one of the poorest countries in the world, possesses.

But it does have a government of considerable dynamism. At the peak of the Sahelian drought in 1974-75 Somalia established 20 relief camps in the north and centre of the country catering for 288,000 destitute nomads. The government estimates that only 20,000 nomads died in the drought, and though this may be an underestimate Somalia's relief policy was certainly more effective and better organised than those of most other countries affected by the drought. It could not, however, save 1m.

cattle, 5m. sheep and 30,000 camels from death.

When the drought eased, many of the nomads left the relief camps to go back to grazing. But 120,000 of them—without much coercion, it is generally believed—chose to be resettled in farming and fishing. With great despatch they were transported by Russian-supplied aircraft and lorries to the riverine areas in the south. Some 15,000 were put into Russian-supported fishing settlements on the Indian Ocean, and the rest went to three agricultural settlements.

The policy was daring, not just because it involved a complete change for the nomads—with the ultimate prospect of a regular source of income offset by having to accept regular working patterns—but also because it was undertaken with the minimum of study of the resettlement areas and few firm commitments of money to develop them.

It is too early to assess how successful the resettlement programme is likely to be. The Somalis are proud that the settlements have been established at all, that some irrigation works have been completed, a small proportion of the total acreage envisaged planted, and that the process of education for both literacy and "political orientation" has begun for the former nomads. The number of those who have drifted away from the camps is thought not to exceed 10 per cent.

But the bulk of the population is still living on imported food and the World Food Programme, a UN agency, has agreed to supply the settlements for the next three years. In reality the resettlement programme has barely begun; the World Bank and other aid-giving agencies were naturally reluctant to commit themselves financially to a scheme whose viability had not been closely examined. Only now, after a pre-feasibility study, are commitments of long-term aid beginning to come in from agencies such as the International Development Association, the Arab Fund for Economic and Social Development, the African Development Bank, and the European Development Fund.

It is reckoned that it will take

a further three years to complete studies of the best methods of irrigation and the most suitable crops. During this time the bulk of the training in farming skills will take place. Despite some optimistic statements by the Government it will probably take at least six years from the arrival of large-scale outside technical assistance and agricultural machinery (expected later this year) before the resettlement schemes make a return on capital. In fishing, the prospects are, if anything, less certain. The remaining nomadic population has had good rainfall lately, and the number of animals has increased sharply, so that pressure on resources is likely to mount again and the

Arab states has increased—Somalia joined the Arab League in 1974 and is subject to inducements from Arabia to modify its policies. Arab aid payments though substantial are not enough to cover Somalia's overall trade and deficits.

The Government has achieved surpluses on spending to put aside, but only on the cost of freezing sales wages in the modern sector by lowering the cost of living by as much as 10 per cent in three years. Whether the Government continues generating surpluses is uncertain. Nationalised most of the country's few industries, almost all trade, and the industrial sector, combined with efficiencies of the machine, increase the state finances, while the government has committed itself to a laudable but expensive and health scheme overseas market for meat and animal products, and a precarious and staple product, banana, has been hit by the epidemic in its main market.

But while financial surpluses are potentially serious, the flow of aid can be the shortage of training power is probably the greatest weakness. A skilled and qualified workforce, either untrained or wrongly deployed for reasons.

Even the more dispassionate observers of Somalia accept that the officially proclaimed ideology of scientific socialism, which entails self-reliance and collective ownership, is more appropriate to a very poor country with no sizeable middle class than a capitalist philosophy. Since almost all leading Somalis are descended from nomadic families their approach to the nomads is fundamentally sympathetic, and there is considerably less coercion than in most other countries with large nomadic populations.

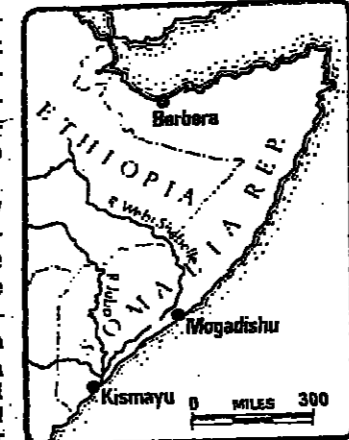
But despite a concerted development effort, Somalia's short and medium term economic prospects can at best be called moderate. The flow of aid from

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200 Peachtree Street, N.W.  
Atlanta, Georgia 30308  
Telephone: (404) 525-2000

**BANKERS TRUST COMPANY**  
NEW YORK

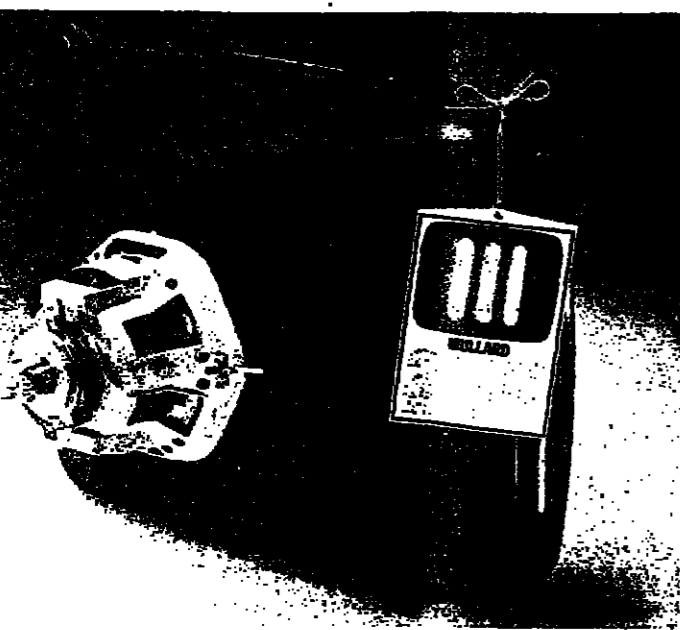
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An International Banking Network of branches, subsidiaries, affiliates and representative offices in 35 countries on 6 continents.

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# Why has Europe enthusiastically adopted the 20AX colour TV system?



Because this new 110° colour tube system is the most important advance in set design since the arrival of colour TV itself. Tube bulkiness and circuit complexities have been 'designed-out'. The result? Slimmer, elegant, more reliable sets which warm up fast, maintaining a first-class colour picture over a much longer period. 20AX - it's known as 'Eurocolour' across the Channel - is a dramatically simpler way to get colour TV precisely right. It is

a technological advance which represents more than twenty years research and development and marks a new era in television electronics design. No other 110° colour tube system in the world is so advanced.

## What is the 20AX system?

It is the only fully self-converging slimline 110° tube system available for picture tubes in 18, 20, 22 and 26 inch sizes.

## How do ordinary TV sets work?

Until now the inside of most colour TV screens has been coated with a million dots of red, green and blue phosphors, arranged in tiny triangles.

The dots become a colour picture when they are made to glow by firing beams of electrons at them from three electron guns housed in the neck of the picture tube.

The guns, one for each colour, are arranged, like the dots, in a triangle.

The beams are guided to their targets through thousands of tiny holes in what is known as a shadow mask. Getting

the triangle of beams to land precisely on a triangle of dots is known as convergence and, for a perfect picture, this has to be done across the whole screen, twenty-five times a second. To achieve this, many extra electronic components are needed and up to eighteen complex convergence adjustments have to be made before a set leaves the factory.

## So how is 20AX better?

20AX gets rid of the complexities, using guns arranged in a line rather than a triangle, a slotted shadow mask, vertical phosphor stripes and a self-converging deflection yoke. The result is perfect colour registration from the centre of the picture right out to the

corners. The 20AX system achieves this automatically, eliminating many components and adjustments required in conventional sets.

## What does this mean for the viewer?

For a start, the fewer the components, the fewer there are to go wrong. But there's more to 20AX than that. Not only does it give an excellent picture with perfect colour registration right out to the corners, but this quality is maintained for a long, long time. In other words, better picture quality and greater reliability.



## Any other advantages?

Certainly. 20AX has the bonus of a 'quick warm-up' filament - which means a picture within about five seconds, without leaving the set plugged in on stand-by, which is safer and saves electricity.

And the new Mullard 20AX 110° tube needs less space, so 20AX sets are slimmer than sets with conventional tubes.

## What does this mean for Britain?

Mullard, now Britain's only TV tube maker, has invested £7 million in re-equipping three of its factories to produce the new tubes and components wanted for 20AX. This investment is already paying off in a number of ways.

In 1976, in addition to the £6 million worth of 20AX tubes and components which Mullard exported to Europe,

British-made TV sets - using 20AX components from Mullard - were capturing a share of this discerning market. Europe demands sets which provide high reliability and embody the very latest technology. With 20AX British set manufacturers were well able to satisfy these requirements.

We are proud that 20AX is spearheading the British TV export drive for both the set manufacturers and Mullard. And, of course, on both counts British jobs are protected.

## 20AX looks like a great leap forward

It is indeed. So when you come to buy or hire your next colour TV, demonstrate your knowledge, ask the sales person about 20AX. You're bound to see the 20AX symbol in your TV showroom soon.



**Mullard**



[Handwritten signature]

ART GALLERIES  
CLUBS  
COMPANY NOTICES  
PUBLIC NOTICE  
AIRCRAFT FOR SALE  
FALCON F







WALL STREET - COMMERSE MARKETS - LAST PRICES

Awaiting Carter's TV speech: off 2.7 Pound improves

BY OUR WALL STREET CORRESPONDENT

A SLIGHT REACTION developed on Wall Street to-day, with some profit taking and investors' hesitancy ahead of President Carter's TV speech to-night about his Energy Program...

By mid-day the Dow Jones Industrial Average was off 2.71 to 943.03 and the NYSE All Common Index dipped 18 cents to 834.76.

FRIDAY'S ACTIVE STOCKS

Table with columns: Stock, Closing, Change, Volume. Lists active stocks like Ford, General Motors, etc.

OTHER MARKETS

Canada lower - Canadian Stock Markets declined in very light trading yesterday morning.

while declining issues led gains by a ratio of about two-to-one. Trading volume further decreased...

Indices

NEW YORK - DOW JONES

Table showing Dow Jones index performance for various months and years.

MONTEREAL

Table showing Montreal stock market performance.

TORONTO

Table showing Toronto stock market performance.

JOHANNESBURG

Table showing Johannesburg stock market performance.

Standard and Poors

Table showing Standard and Poors index performance.

Overseas Share Information

NEW YORK

Large table listing various international stocks and their prices.

Canada

Large table listing Canadian stocks and their prices.

COPENHAGEN - Mixed in fair dealing.

Initial rise followed passage of the National Budget late last week and local Press reports the Bank of Japan may soon cut Official Discount Rate by 1 per cent to 5 per cent.

AMSTERDAM - Shares firmed, while Dutch insurers were better.

Several transportations gained ground. Van Ommere moved up to 164.8, KLM up to 151.70 and 90.5 and Holland-Amer Line Holding 151.2 to 97.50.

BRISBANE - Shares firmed, while Dutch insurers were better.

Among irregular Banks, Bankverein gained ground while Deutsche Reichsbank lost ground. Financial rose.

OSLO - Industrials were slightly higher, while shipping was mixed in quiet dealings.

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Stocks and Falls

Table showing stock and fall performance for various markets.

Investment premium based on \$2.60 per £1-191% (120/4%)

Table showing investment premium data.

AMSTERDAM

Table showing Amsterdam stock market performance.

COPENHAGEN

Table showing Copenhagen stock market performance.

OSLO

Table showing Oslo stock market performance.

PARIS

Table showing Paris stock market performance.

BRUSSELS/LUXEMBOURG

Table showing Brussels/Luxembourg stock market performance.

MILAN

Table showing Milan stock market performance.

VIENNA

Table showing Vienna stock market performance.

Bank of England intervened of the dollar, compared with \$274.10 on Friday.

Gold rose 3 1/2 to closing at \$131.10 and trading volume was 13 1/2 and market sources suggested that the authorities probably took in about \$100m. of foreign currency for content widened to 3.22 per cent from 2.73 per cent for domestic delivery, but showed little change at 3.59 per cent in the international market.

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Selective interest continued in Construction and other issues related to Public Works.

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MILAN

Table showing Milan stock market performance.

VIENNA

Table showing Vienna stock market performance.

GOLD MARKET

Table showing gold market prices.

FOREIGN EXCHANGE

Table showing foreign exchange rates.

RIGHTS RATES

Table showing rights rates.

EXCHANGE CROSS-RATES

Table showing exchange cross-rates.

EURO-CURRENCY INTEREST RATES

Table showing euro-currency interest rates.

FORWARD RATES

Table showing forward rates.

TOKYO

Table showing Tokyo stock market performance.

AUSTRALIA

Table showing Australia stock market performance.

BRASIL

Table showing Brazil stock market performance.

JOHANNESBURG

Table showing Johannesburg stock market performance.

OSLO

Table showing Oslo stock market performance.

PARIS

Table showing Paris stock market performance.

BRUSSELS/LUXEMBOURG

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VIENNA

Table showing Vienna stock market performance.

STOCKHOLM

Table showing Stockholm stock market performance.

AMSTERDAM

Table showing Amsterdam stock market performance.

COPENHAGEN

Table showing Copenhagen stock market performance.

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Table showing Vienna stock market performance.

STOCKHOLM

Table showing Stockholm stock market performance.

Large advertisement for Unex tea and Copper, featuring a can of tea and the word 'Copper'.



Table with financial data including Gold Market, Foreign Exchange, and other market indicators.

Farm loan interest rates cut

AGRICULTURAL Mortgage Corporation yesterday announced cuts in its lending rates...

Wool prices fall unlikely

AUSTRALIAN Wool Corporation does not expect any significant decline in wool prices...

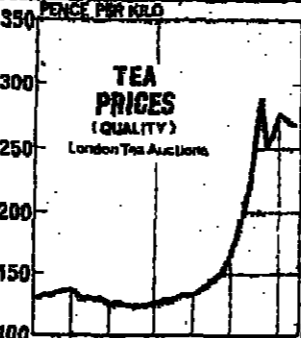
Milk powder sale by EEC

The EEC sold 15,000 tonnes of skimmed milk powder at a monthly tender...

Unexpected dip in London tea auction prices

By Peter Bullen

TEA PRICES fell rather surprisingly in London yesterday in the first London Tea Auction...



Copper market down again

By John Edwards, Commodities Editor

COPPER PRICES lost ground again on the London Metal Exchange yesterday...

Another Noranda strike

MONTREAL, April 18

ABOUT 500 workers at Noranda Metal Industries in Montreal walked out...

Erratic day for cocoa and coffee

By Our Commodities Staff

COCAO AND coffee markets had an erratic day yesterday with prices falling sharply...

Inauspicious start for pact talks

By David Egli, Geneva Correspondent

THE NINTH United Nations sugar conference which aimed to achieve an effective agreement...

Soyabean meal moves higher

By Our Commodities Staff

THE UPSURGE in soyabean meal prices gathered pace again yesterday...

Italy exports more olive oil

ROME, April 18

ITALIAN olive oil exports rose to 28,785 tonnes in 1976 from an upward revised 12,272 tonnes in 1975...

Further rise in world values

By Our Commodities Editor

WORLD SUGAR values were firm on the London terminal market yesterday...

Stocking

By Our Commodities Editor

Mr. Corea singled out the role of stocking as requiring particular attention in the present meeting...

Talks on U.S. beef import curbs planned

WASHINGTON, April 18

THE U.S. International Trade Commission will begin hearings on June 14 in Rapid City, South Dakota...

Ban on import of Dutch pigs to be eased

THE HAGUE, April 18

A BAN on all imports of pork and live pigs from the Netherlands...

COMMODITY MARKET REPORTS AND PRICES

Table with Base Metals section including Copper, Tin, Lead, Zinc, and Silver prices.

COMPANY NOTICES

EUROPEAN COAL AND STEEL 10% 1975/1982 - FF.125,000,000. NOTICE TO THE HOLDERS OF Bonds of the issue 10% - 1975/82 of FF.125,000,000...

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division. In the matter of the WINDING-UP OF THE COMPANY known as the WINDING-UP OF THE COMPANY...

COFFEE

In an extremely quiet morning London traded defensively lower, reports of a strike at the coffee plantation in the Ivory Coast...

SOYABEAN MEAL

The market opened limited, reflecting the limited Chicago stock and advanced prices in the soyabean meal market...

RUBBER

Physical closing prices for rubber in London physical market. The market opened on a note of caution...

SILVER

Silver was fixed 25.00 an ounce higher for delivery in London. The market opened on a note of caution...

JUTE

Jute prices were firm in London. The market opened on a note of caution...

PRICE CHANGES

Table with Wool Futures section including various wool grades and their prices.

MEAT/VEGETABLES

Table with Meat/Vegetables section including various meat and vegetable prices.

SUGAR

Table with Sugar section including various sugar grades and their prices.

FINANCIAL TIMES

Table with Financial Times section including Dow Jones and other financial indices.

REUTERS

Table with Reuters section including various market news and prices.







AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Abbey Unit Tr. Mgrs. Ltd., Allied Hambro Group, and others, with columns for fund names, managers, and performance data.

Table of Offshore and Overseas Funds listing various international investment funds such as Arbutnot Securities (C.I.) Limited, Fidelity Mgmt. & Res. (Bda.) Ltd., and others, with columns for fund names, managers, and performance data.

Table of Base Lending Rates listing various banks and their respective interest rates, including A.B.N. Bank, Allied Irish Bank, and others.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds listing various insurance and investment products such as Abbey Life Assurance Co. Ltd., General Portfolio Life Ins. Co. Ltd., and others, with columns for product names, managers, and performance data.

Advertisement for stock exchange services with the text 'Are you a Stock Exchange Investor?' and 'Whatever your interest - phone 01-246 8026 every hour.'

Advertisement for insurance services with the text 'INSURANCE BASE RATES' and 'CORAL INDEX: Close 404-111'.

Handwritten text at the bottom of the page: 'فانك من الاصل'



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FT SHARE INFORMATION SERVICE

INDUSTRIALS—Continued

BRITISH FUNDS

Table of British Funds with columns for Stock, Div. Yield, and Price. Includes various fund names like 'Treasury 11/12 77' and 'Treasury 12/12 77'.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase companies with columns for Stock, Div. Yield, and Price. Includes companies like 'Bank of Scotland' and 'Hire Finance'.

Over Fifteen Years

Table of companies with over fifteen years of experience, listing stock prices and dividends.

Undated

Table of undated companies with stock prices and dividends.

INTERNATIONAL BANK

Table of International Bank with stock price and dividend information.

CORPORATION LOANS

Table of Corporation Loans with stock prices and dividends.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with stock prices and dividends.

LOANS (Miscellaneous)

Table of Miscellaneous Loans with stock prices and dividends.

FOREIGN BONDS & RAIS

Table of Foreign Bonds & Rais with stock prices and dividends.

AMERICANS

Table of American companies with stock prices and dividends.

CANADIANS

Table of Canadian companies with stock prices and dividends.

BUILDING INDUSTRY—Continued

Table of Building Industry companies (continued) with stock prices and dividends.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics companies with stock prices and dividends.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits companies with stock prices and dividends.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV companies with stock prices and dividends.

DRAPERY AND STORES

Table of Drapery and Stores companies with stock prices and dividends.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads companies with stock prices and dividends.

BUILDING INDUSTRY—Continued

Table of Building Industry companies (continued) with stock prices and dividends.

CHEMICALS, PLASTICS

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DRAPERY AND STORES—Continued

Table of Drapery and Stores companies (continued) with stock prices and dividends.

ELECTRICAL AND RADIO

Table of Electrical and Radio companies with stock prices and dividends.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools companies with stock prices and dividends.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. companies with stock prices and dividends.

HOTELS AND CATERERS

Table of Hotels and Caterers companies with stock prices and dividends.

INDUSTRIALS (Miscellaneous)

Table of Miscellaneous Industrial companies with stock prices and dividends.

DRAPERY AND STORES—Continued

Table of Drapery and Stores companies (continued) with stock prices and dividends.

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Table of Hotels and Caterers companies with stock prices and dividends.

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Table of Miscellaneous Industrial companies with stock prices and dividends.

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## Blow to Concorde in report on airport noise levels

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MEASUREMENTS of Concorde's noise taken during its first eight months of scheduled service between London and Bahrain and Washington show that the aircraft "is significantly noisier on take-off than any other commercial aircraft."

Figures published in a new report to the U.K. Government from the Noise Advisory Council show that, at 5 km from the start of take-off roll, the Concorde's noise amounts to 135 Perceived Noise Decibels (PNdB) compared with 113.6 PNdB for Boeing 707s.

This figure declines the further and higher Concorde gets from the airport, but at 30 km its noise is still 105.7 PNdB compared with 87.4 PNdB for a Boeing 707.

The working group from the Council which undertook the measurements says it is concerned at the effects of this noise on the total noise climate at Heathrow. It says this deterioration in the noise situation there requires significant measures to alleviate the situation.

Since there is no likelihood of any significant improvement in Concorde's present noise, the working group suggests that the only way of easing the situation at Heathrow is to explore how other noise there can be improved.

Some methods by which this could be achieved include:

1. A ban on Concorde movements at night, during the evening and in the early morning.
2. Further restriction on night flying by all jet aircraft. Many airports throughout the world have more restrictive rules on night flying than Heathrow. "and it seems reasonable that a progressive policy to reduce night disturbance should be adopted at Heathrow"; and
3. A requirement that operators of Concorde at Heathrow should balance out the increased noise from Concorde by reducing the numbers of flights by other noisy aircraft.

The working group urges that these "and indeed other appropriate measures" be vigorously pursued.

The Noise Advisory Council is set up by the Department of the Environment to advise it on noise problems. The Secretary for the Environment is the council's chairman.

The council's report relates to noise during the eight months from January 21 to September 20 last year, the early months of service when pilots were unfamiliar with the particularly stringent noise abatement techniques required with the aircraft.

British Airways and the manufacturers have subsequently argued that, as pilots became more adept at those procedures, the noise levels have diminished.

Complaints

Nevertheless, the report must be considered highly damaging to Concorde, yielding considerable ammunition to the anti-Concorde lobby in New York which is fighting to prevent any decision allowing the aircraft to use Kennedy Airport there.

Commenting on the council's report, the Department of Trade said yesterday that it drew on figures for noise first published last year. The Civil Aviation Authority is preparing a new report, giving figures for the first full year of Concorde operations.

The Department of Trade, commenting on the recommendations, said that there were no plans for Concorde night operation or for take-offs in the early morning or late evening.

Arrivals from Washington already take place in the evening, and those planned for flights from New York and Melbourne will also occur in the evening.

But Concorde's arrival noise was below its take-off noise, and complaints about Concorde arrivals average about two for each movement.

The Department of Trade said it had already published a consultation document setting out plans for further reducing night jet disturbance at Heathrow and Gatwick.

The proportion of "quiet movements" at Heathrow is already increasing. The departable scope for advancing the retirement of older and noisy aircraft, and it is expected that the noise climate at Heathrow will thus improve, even if there is a rise in Concorde movements.

Reuter reports from Tehran: British Airways and Air France have applied for overflying rights for Concorde, and the Iranian Government has set up a committee to determine a route, the Government news paper, Rastakhiz said. It added that until the committee completes its studies on environmental effects of supersonic flights, the Anglo-French airliner will not be allowed into Iranian airspace. The national Iranian Air has an option for three Concorde.

Noise Advisory Council: Concorde Noise Levels, SO, 50p net.

## Queen's shares to be exempt

BY MARGARET REID

SHAREHOLDINGS of the Queen are to be exempted from a provision of the Companies Act 1976 which came into force yesterday and which enables companies to require disclosure of the true owners behind nominee holdings of their capital.

An announcement is expected to be made within the next few days about the exemption of the Queen and members of her immediate family under this part of the Act.

Shareholdings of other heads of State—for example, the Shah of Iran—and their immediate families will be similarly exempted.

The Queen is known to have very substantial shareholdings, which by long custom are not held in her name.

The exemption will come under Section 27 (9) of the Act, which provides that a person exempted by the Secretary of State shall not be obliged to comply with a notice from a company under the section requiring disclosure of the beneficial ownership of a holding. The Secretary of State is Mr. Edmund Dell, Trade Secretary.

## THE LEX COLUMN

# Small print in the Peachey affair

The three Peachey directors who are seeking to bust Sir Eric Miller from the Board are evidently leaving shareholders to head the small print of the annual report if they are to gain any clear idea of what the row is all about. But it would seem that there has been a dispute over expenses which figure heavily in the sum of £178,000 which has been paid by Sir Eric—and about property transactions involving altogether £145,000 in respect of which Sir Eric has paid the company £50,000. Most crucially, the auditors Price Waterhouse are still unable to corroborate information given to them concerning expenditure of £282,000, which last year Sir Eric, then chairman, said had been "incurred in connection with a proposed European venture which was not forthcoming."

This amount has been written off fully in these accounts.

Last night Sir Eric made it clear that he is going to fight the rest of the Board. Along with his son he holds around 5 per cent of the equity, which may not be especially powerful, but is much more of a base than the tiny holdings of the other directors. He can try to appeal to Peachey's predominantly small shareholders. And the Board is plainly nervous of a takeover threat, having hired Barclays Merchant Bank as advisers. At 42p the share price compares with book net worth of 70p per share, to which could be added a directors' valuation surplus (after deducting £2.5m subject to a qualification by the auditors) of some 20p a share.

Sir Eric's initial tactics are to accuse the new chairman, Lord Mais, of failing to give reasons for the Board's recent change of attitude, and to claim that Peachey's "strength" is primarily due to his own efforts. The former argument is more powerful than the latter, however, for Peachey's share price is well below what it was in the early 1960s, let alone the early 1970s, and the recent record has been marred by dividend cuts, delayed accounts, and qualified auditors' reports. There is certainly no reason to believe that Sir Eric is essential to Peachey—but the majority faction has yet to spell out why the company will be better off without him.

### Index fell 7.4 to 409.1

formal agreement is way off. However its plan 1978 has substantial Reyrolle's financial Higher working capital financed by progress so the group now cash in the bank and £10m. of long-term ported by sharehold of over £50m. This has gone up by the allowed by the Treasury rules. And the profitability will a maintaining during, although there remain longer term uncertainty recent strength of 166p — where the capitalisation is £22 yield 9 1/2 per cent — well based.

### Wedgwood

Two years ago raised £3.2m. by a that added more than to its equity. This group is opting for ventional equity fund trust (SPR Investme agreed deal that will just over £4m. a £80,000 cash proceed former side has also done well, profits up by nearly a half to £3.2m.

Parsons has also produced profits of a little over £3m. on capital employed of about £20m. and, thanks to the way that it takes in profits at the end of a very long production cycle, there is a fair chance that it can maintain this contribution in 1977. The position there after depends entirely on whether the Government decides to place an order with the company for the Drax B power station in the near future. Either way jobs will be lost, but the group claims that if Drax does not come soon—by which it apparently means the end of this month—then it will have to press ahead with some painful redundancy decisions in an area of high unemployment.

The question is whether such an order would be made conditional on any reshaping of the industry, as the Government's Think Tank suggested last autumn. All kinds of permutations have been suggested, involving the National Enterprise Board as well as GEC. But the impression is that any kind of

### Reyrolle Parsons

The preliminary statement

## Talks on European successor for Kirk

By John Hunt

STRASBOURG, April 18. THERE will be talks next week between the bureau of the Conservative delegation to the European Parliament and Mr. Humphrey Atkins, Tory chief whip at Westminster, before a successor is chosen for Sir Peter Kirk, leader of the Tory group at the Parliament, who died on Sunday.

Mr. James Spicer, chief whip to the Tory group at the Parliament, said yesterday that no immediate decision would be taken. Full discussions would take place between the group and the Conservative Party leadership before a final choice was made.

Although Mrs. Thatcher, Conservative leader, will have a large say in the matter, the decision rests with the 12 British MPs, four peers, and one Dane, who make up the Conservative group at the European Parliament. Under its rules, the group is entitled to elect the new leader, whose official title is chairman of the group.

The man with the greatest claim to the job is Mr. James Scott-Hopkins, MP for Derby West, who is vice-chairman of the group. The other contender is Lord Reay, Conservative peer.

Mr. Scott-Hopkins is a senior, long-serving member of the European Parliament and is a member of its agricultural committee and the committee for external and economic relations.

He has been suffering from ill health and was due to come out of hospital yesterday after a leg operation. This would not necessarily disqualify him, as the new leader will only have to serve for about a year until the introduction of direct elections to the Parliament.



## Owen takes on EEC role

Dr. David Owen, the Foreign Secretary, returned from his week-long African trip yesterday morning to take the chair at the EEC Foreign Ministers' meeting in London. With him is Mr. R. A. Hibbert (right), a member of the British delegation.

## Peachey: 'New evidence'

BY QUENTIN GUIRDHAM

PEACHEY Property Corporation yesterday claimed to have evidence that £282,000 of company expenditure had not been used for the purpose intended by the Board.

This, said Lord Mais, the new chairman, was the reason for the Board's sudden change of attitude to Sir Eric Miller, Peachey's former chairman. Sir Eric's re-election as a director is being opposed by the rest of the Board, but last night he appealed to shareholders to support him.

The new information had come to light in the past ten days, Lord Mais said. The company's accounts published yesterday, show that since last June Sir Eric has repaid Peachey £177,671 incurred Lord Mais added, in general expenses such as entertaining and travel. The pattern of Sir Eric's personal expenditure had always been high, he stated. It had been decided that these sums "were not admissible to

the company," although £84,343 of the total had not been disclosed as a debt in the previous year's accounts because of "an incorrect understanding of the nature of the transactions concerned."

Asked if any of the sum represented loans to Sir Eric, Lord Mais said there was no "direct loan." But in dealing with personal expenses of this size, indexed on an annual basis, it was possible to argue that they amounted to a loan.

In addition, the accounts show that Sir Eric paid the company £30,000 in respect of assets of £30,000 and expenditure of £54,832. The auditors state that they found insufficient information on development land. Sir Eric's payment is stated to be in respect of one of the assets involved. Lord Mais said Peachey was hoping to recover further sums.

This, together with the unexplained £282,000, are the main reasons for auditors Price Waterhouse qualifying the accounts. The accountants use a particularly strong language in reference to the amounts totalling £322,000.

Pointing out that last year they had not been able to corroborate information on this money, they say: "We have still not been able to corroborate the information given to us about these amounts nor consequently to establish that the expenditure was properly incurred on the business of the group."

Much of the money was, Lord Mais said, earmarked for buying shares in a foreign property company. Peachey now knew, he added, where a substantial proportion of the money had gone.

The directors have made a full provision for that amount, "pending the results of their inquiries concerning these amounts, following which legal action for recovery may be taken."

## Talks with Bank

The sub-section further provides that the Trade Secretary shall grant such an exemption only after consultation with Mr. Gordon Richardson, Governor of the Bank of England. The Trade Secretary also has to be satisfied that "having regard to any undertaking given by the person in question with respect to the shares held or to be held by him, there are special reasons why that person should not be subject to the obligations imposed by this section."

Consultations involving the Bank of England, the Government and Buckingham Palace have been taking place under Section 27 (9) ahead of the coming amendment.

These have been concerned, among other things, with the exact manner in which the exemptions will operate and the precise categories of people whose holdings will be exempted.

It is understood that the Queen, her immediate family, and other heads of state and their families will not be exempted from another provision of the Act which calls for the notification of shareholdings of between 5 and 10 per cent of a company's voting capital.

Holdings notified under this provision, Section 26, which also came into force yesterday, may be in nominee names or in the names of the beneficial owners.

## Weather

U.K. TO-DAY

CLOUDY. Rain in parts. London, E. and S.E. England. Becoming cloudy, with perhaps rain or drizzle. Wind moderate. S.W. Max. 10C (50F).

MIDLANDS, CENT. S. AND CENT. N. England. Becoming mainly dry. Wind light or moderate. W. Max. 14C (57F).

W. ENGLAND, WALES, CHANNEL IS. Cloudy, occasional drizzle. Hill and coastal fog later. Wind W. light or moderate. Max. 12C (54F).

N.E. ENGLAND, BORDERS, EDINBURGH, DUNDEE, ABERDEEN, MORAY FIRTH, N.W. SCOTLAND, ORKNEY, SHETLAND

Becoming cloudy with some rain. Wind S. fresh or strong. Max. 7C (45F).

Rest of Scotland, N. Ireland, I. of Man, Lake District. Cloudy, rain at times, sleet or snow on hills. Wind moderate or fresh. Max. 10C (50F).

Outlook: Bright intervals.

## BUSINESS CENTRES

City	1st day	2nd day	3rd day	4th day	5th day
Alexandria	F 21	20	19	18	17
Amsterdam	F 21	20	19	18	17
Antwerp	F 21	20	19	18	17
Bahraun	S 30	29	28	27	26
Barcelona	R 11	10	9	8	7
Bombay	F 21	20	19	18	17
Boston	F 21	20	19	18	17
Buenos Aires	F 21	20	19	18	17
Calcutta	F 21	20	19	18	17
Cardiff	F 21	20	19	18	17
Cebu	F 21	20	19	18	17
Colon	F 21	20	19	18	17
Copenhagen	F 21	20	19	18	17
Dublin	F 21	20	19	18	17
Edinburgh	F 21	20	19	18	17
Hankow	F 21	20	19	18	17
Hong Kong	F 21	20	19	18	17
London	F 21	20	19	18	17
Lyons	F 21	20	19	18	17
Manila	F 21	20	19	18	17
Medan	F 21	20	19	18	17
Osaka	F 21	20	19	18	17
Paris	F 21	20	19	18	17
Rangoon	F 21	20	19	18	17
San Francisco	F 21	20	19	18	17
Singapore	F 21	20	19	18	17
Sourabaya	F 21	20	19	18	17
Taipei	F 21	20	19	18	17
Tokyo	F 21	20	19	18	17
Yokohama	F 21	20	19	18	17

## HOLIDAY RESORTS

Alisco	F 18	17	16	15	14
Alisco	F 18	17	16	15	14
Alisco	F 18	17	16	15	14
Alisco	F 18	17	16	15	14
Alisco	F 18	17	16	15	14
Alisco	F 18	17	16	15	14
Alisco	F 18	17	16	15	14
Alisco	F 18	17	16	15	14
Alisco	F 18	17	16	15	14
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## Commons workload Page 8

## Continued from Page 1

## Retail sales

ence to the underlying decline which clearly reflects the sharp fall in real personal disposable incomes since the autumn as the rate of retail price inflation has accelerated while the rate of increase in earnings has been held, at least partially, in check under Phase Two.

There appears to be a masked contrast in consumer behaviour between the last two quarters.

Towards the end of last year real disposable incomes also fell sharply but consumers maintained their volume of spending after a sharp cutback in savings.

But now there has been an adjustment in the level of expenditure to match the cut in real earnings.

So the fall in retail sales has probably followed the trend in personal disposable incomes more closely, with the savings ration remaining at a low level.

The last quarter's figures suggest that sales will have to pick-up quite sharply in the current quarter—which is not expected—if consumer spending as a whole is to be ever up to the modest level for the first half of this year forecast by the Treasury in the budget.

This suggests that the pessimistic view of the prospects for domestic demand over the next year, taken in the Budget was fully justified and may not even have been cautious enough.

The Department of Trade also announced yesterday that the value of retail sales in March was 15 per cent higher than a year earlier, on a non-seasonally adjusted basis. In the first quarter, sales were 12 per cent higher.

## Continued from Page 1

## Local pay deals

that most of what Mr. Jones had said was close to the Government's own views.

Phase Three would have to be more flexible, he said, and he pointed out Mr. Jones' own warning of a pay explosion.

The need for flexibility is illustrated by the series of unofficial strikes that have erupted in recent weeks involving Leyland toolmakers, Heathrow engineers, Port Talbot electricians and yesterday skilled men at Ford Motor.

Grievances

All these disputes have something to do with craftsmen's grievances about the way in which pay has been set, and the disappearance of their wage differentials, and prevented local solutions.

Mr. Jones, speaking on BBC radio yesterday, said that his battle was to try to bring unemployment down and to try

## Continued from Page 1

## Ford

skilled men more say on wage claims — and hence a chance to argue their case for restoring differentials — but the TGWU had not accepted it.

"The only shot we have left in our gun now is to win a law from the union (the AUEW), and that is what is happening now in many plants."

In some factories, Ford gave unofficial recognition to skilled conveners. That recognition had to be made official both by the company and the unions, Mr. Capps said.

Skilled men in the Halewood assembly and transmission plants had been working normally before being laid off.

Jaguar car production in Coventry was disrupted yesterday, and will be halted to-day with about 1,500 assembly men thrown idle by a dispute involving 80 internal truck drivers.

The men are involved in re-grading and pay issues, and talks to settle their grievances failed during the day. They stopped work, and some component makers were laid off, which caused others to walk out in sympathy.

Handwritten scribble at the bottom of the page.